

Department of Information Resources

Cooperative Contracts

Contract Management Procedures



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T:\BusOps\Procedures

Introduction

The Department of Information Resources (DIR) Cooperative Contracts Program is promulgating these Contract Management Procedures to 1) document the manner in which Contracts established by DIR are planned for, procured and managed, and 2) train new employees in the process of being a successful Contract Manager.

The Procedures are drafted with the State of Texas Contract Management Guide (hereinafter the “Guide”) as a reference and with the intent to use as much of the “best practices” contained therein as applies to the cooperative contracts that DIR establishes. Capitalized terms not defined in this document are defined in the Guide. However, there are limits to the applicability of the Guide and the purpose of this introduction is, in part, to document the variances between DIR practices and the Guide.

To develop these procedures, DIR examined its existing processes, the Guide, and Texas procurement rules and laws. The goal of this effort is to be in compliance with all of the above, as well as to establish best practices that are applicable for the agency’s use.

About DIR Cooperative Contracts

The Cooperative Contracts Program (Program) within the Technology Sourcing Office (hereinafter the Cooperative Contracts) is responsible for contract establishment and management of the information resource technology Product and related Service cooperative contracts for use by state agencies, local governments and other eligible customers, that feature discounts not generally available to individuals or single institutions.

Eligible Customers include any Texas state agency, unit of local government, institution of higher education as defined in Section 2054.003, Texas Government Code, and those state agencies purchasing from a DIR Contract through an Interagency Agreement as authorized by Chapter 771, Texas Government Code, any local government as authorized through the Interlocal Cooperation Act, Chapter 791, Texas Government Code, the state agencies and political subdivisions of other states as authorized by Section 2054.0565, Texas Government Code, and assistance organizations as defined in Section 2175.001, Texas Government Code (hereinafter “Customers”). For Telecommunications Contracts only, there are additional limited categories of Customers that are eligible. Please reference Section 2170.004, Texas Government Code.

Under the Cooperative Contracts Program, the goal of each contract is to combine the buying power of eligible Customers to obtain best value for selected technology Products and Services. In addition to offering best value pricing, DIR has created DIRect structure to make it easier for Customers to acquire these Products and Services. Under the Go DIRect structure, Customers place orders with and issue payments directly to the Vendors that hold Cooperative Contracts. For each Product and/or Service, DIR strives to award more than one Vendor Contract to enhance the choices for its Customers.

One common element for the contracts managed under these procedures is that all Products and Services fall within the definition of Automated Information Systems, which may be procured

using the methods authorized under Chapter 2157, Texas Government Code. These methods include the competitive sealed proposal method and the direct negotiation method. The predominate method DIR uses to ensure best value to the State and its Customers is the competitive sealed proposal method under Chapter 2157.

To the extent these procedures are at variance with the Contract Management Guide, there are practical reasons for the variance. Most of the Cooperative Contracts are commodity contracts as opposed to a deliverable-based project type contracts. For example, the typical DIR Contract allows a Customer to place an order, the Vendor ships the item or items to the Customer, and invoicing and payment ensue. Therefore, some of the steps outlined in the Guide do not apply or are not essential to a successful contract of this variety. Finally, DIR uses a template as the contract. These templates have been carefully drafted and are not generally open to extensive renegotiation with Vendors. The few alternative language items allowed are highlighted as exceptions to the standard language in the cover contract document. The template is attached to each solicitation so that Vendors understand DIR's Contract terms and conditions when developing their proposals. DIR has found this disclosure of the Contract as a part of the procurement process speeds the contract award process.

Organization of this Document

The procedures contained in this document are separated into 5 major sections: 1) Planning, 2) Procurement, 3) Contract Formation, 4) Contract Oversight/Administration, and 5) Contract Close-Out. The DIR Contract Management procedures align with the Guide, except that DIR has one additional section for contract close out.

Each section is prefaced with an introduction explaining the purpose of the section and highlighting variances in the procedures from those suggested by the Contract Management Guide. Each procedure is numbered and includes the section number as the prefix and the procedure number for that section. The procedure numbers are sequenced in multiples of ten to allow insertion of new procedures. In section 1, the first procedure is numbered 1.10 and the second procedure is numbered 1.20. In section 2, the first procedure is numbered 2.10 and the second procedure is numbered 2.20.

1. Planning

Planning is the first and a very important step in Contract Management. Better planning results in a more successful Contract. A well-formed solicitation document results in better responses and more competition. A clear statement of demand/need and effective research gathering makes the Contracting Team more knowledgeable about the subject matter of a contract. Planning focuses the Contract Manager on who, why, what, how and when of the Procurement. *Who* establishes the Contract Management Team. *Why* helps to determine the need for a Procurement. *What* focuses on the Product or Service to be procured. *How* is the procurement method and the Contract model. *When* establishes the proper timeline.

According to the Guide, "each contract management initiative should include an executive sponsor, a contract manager, purchasing department staff and program staff to assist in the contract management process. The extent and degrees of executive sponsorship and participation should

be directly related to the level of risk associated with the procurement.” These DIR Procedures state that the Contract Management team shall be composed of a Contract Manager, Contract and Vendor Management Manager, Contracts Attorney, Purchasing Staff, Division Director, and the Executive Director. Possible involvement by the Executive Director of the Department of Information Resources will be dependent on the contract initiative itself.

According to the Guide, risk management is an important step in the planning phase. In the planning phase, the DIR Contract Manager will conduct a certain amount of risk analysis and work to mitigate that risk by adhering to the procedures established in the DIR Contract Management Procedures. For Cooperative Contracts, the risk to DIR is deemed to be low because the pattern of awards is to multiple Vendors on a “no quantity guarantee” basis. Thus, failure of a single contract does not jeopardize access to Products and Services. When appropriate, Customers that use the Cooperative Contracts should manage risk by negotiating statements of work with services level agreements that are specific to the Customer’s projects.

Procedure 1.10 Contract Demand/Need establishes the two types of Needs Assessment that DIR Contract Managers will deal with, internal and external. Internal demand would be expressed through DIR Management. External demand would be expressed through outside forces, Vendors or Customers.

Success of resulting contracts is based on effective research performed up front during the planning stage. Procedure 1.30 Research Tools, establishes the procedure for gathering research such as description of the product/service, how the product or service is sold, who sells the product or service, pricing offered to other states, potential use by Customers and potential cost avoidance.

According to the Guide, well-formed objectives will help keep the contracting process focused and on track. The resulting recommendations from the New Product Service Request initiated in procedure 1.20 Assessment Request Tool, become DIR Contract Management contracting objectives and purpose.

In addition to the research detailed in 1.30 Recommendation Tool, DIR Contracts Managers will rely on the DIR Contract Management experience of having done these types of procurements repeatedly. We also review solicitations and contracts put into place by other states, other Texas state cooperative consortia, and the federal government.

For the Cooperative Contracts, the standard DIR business model is the Go DIRect model, whereby customers deal directly with the Vendors. DIR puts the Contract into place and the Customers work directly with the Vendor under the terms of the Contract to obtain Products and Services.

The Guide indicates that during the Planning stage a cost estimate should be developed. Based on the research done in the Planning stage, the Contract Manager should have estimates on how much the product/service should cost Customers. Since DIR Cooperative Contracts are awarded on an indefinite quantity basis with no minimum guarantees of any purchase, DIR does not perform this cost estimate exercise as an internal cost item. However, in procedure 3.10 Contract Negotiations, DIR does perform cost avoidance calculations for its Contracts, which benchmarks DIR prices against pricing achieved by other purchasing cooperatives and demonstrates savings to the

taxpayers generated by use of the DIR Contracts. Deliverables Based Information Technology Services Contracts.

The procedures necessary for Section 1, Planning, are contained in the following pages.

Policy Number/Title	1.10 Contract Manager Training
Purpose	To identify minimum training requirements for contract managers and contract manager supervisor.
Responsibility	Contract Manager and Contract Manager Supervisor
Procedure	<ul style="list-style-type: none"> • All Contract Managers and Contract Manager Supervisor must complete the Certified Texas Procurement Manager training requirements. These requirements are: <ul style="list-style-type: none"> ○ Texas Basic Public Purchasing ○ Texas Advanced Public Purchasing ○ Cost & Price Analysis, Negotiations Skills, Contract Administration • All Contract Managers must obtain the Certified Texas Procurement Manager (CTPM) certification within one-year (1) of employment if not already certified, unless otherwise approved by Supervisor. • All Contract Managers and Contract Manager Supervisor must complete the Certified Texas Contract Manager training requirements. These requirements are: <ul style="list-style-type: none"> ○ Contract Management Practices and Principles ○ Negotiation Strategies and Techniques ○ Project Management for Contracting Professionals ○ Source Selection: The Best Value Process • All Contract Managers must obtain the Certified Texas Contract Managers (CTCM) certification within one-year (1) of employment if not already certified, unless otherwise approved by Supervisor. <ul style="list-style-type: none"> ○ At a minimum contract managers and contract manager supervisors must obtain an average of 120 hours of continuation education related to purchasing and/or contract management over a 5 year period to maintain their certification. The department encourages staff to obtain 24 hours of continuing education each calendar year. ○ The department will monitor training requirements to be established in relation to the new Texas Contract Management Guide, as to requiring additional training or making certain training requirements mandatory as part of the 24 hours of continuing education.
Date of Last Revision	04/2015

Procedure Number/Title	1.11 Contract Demand/Need
Purpose	Identify the need for a new Product(s) or Service(s), or extension or rebid of existing Contract
When to Use	1) A request for a new Product or Service is received, or 2) an existing Contract is to be rebid or extended, or 3) DIR determines that reasonable demand for the Product or Service exists in two or more state agencies
Responsibility	Cooperative Contracts staff; anyone identifying a potential contract need or demand
Procedure	<ol style="list-style-type: none"> 1. Internal Request <ol style="list-style-type: none"> a. Receive instruction from Cooperative Contracts Program Manager, and/or Division Director or Executive Director <ol style="list-style-type: none"> i. Via written communication ii. Via meeting iii. Other workload assignment method b. Gather related information if available <ol style="list-style-type: none"> i. If legislative mandate, obtain copy of legislation ii. If agency mandate, obtain documentation from management (e-mail, other written material) iii. Obtain any Vendor/Customer provided information, if available c. Proceed to 1.30 Recommendation Tool 2. External Request <ol style="list-style-type: none"> a. Receive request from Customer/Vendor for new Product and/or Service <ol style="list-style-type: none"> i. Via e-mail ii. Via telephone call (follow up with e-mail) iii. Meeting/other method (follow up with e-mail) b. If Product and/or Service request, <ol style="list-style-type: none"> i. Forward New Product and/or Service Request (NPSR) form to Sourcing Analytics Team for processing
Date of Last Revision	12/2013

Procedure Number/Title	1.20 Initial Assessment Request Tool
Purpose	To gather information to consider offering a Product or Service under a DIR Contract
When to Use	Anytime a request is received to consider a potential new offering
Responsibility	Contract Manager, Sourcing Analytics Team, Contract and Vendor Management Manager, Requestor
Procedure	<ol style="list-style-type: none"> 1. New Product and/or Service Request Form (NPSR) (Appendix 2) is issued to Requestor 2. Requestor returns completed NPSR to Sourcing Analytics Team <ol style="list-style-type: none"> a. Sourcing Analytics Team logs receipt date into New Product and/or Services Log (Appendix 3) b. Sourcing Analytics Team saves documents in the central Contracts file located on T:\drive (shared drive) <ol style="list-style-type: none"> i. Sourcing Analytics Team sets up New Product/Service request folder on T:\drive 3. Sourcing Analytics Team evaluates information provided by Requestor 4. Sourcing Analytics Team and Cooperative Contracts Manager meet to review NPSR research and determine if Products/Services being requested will be accepted for a new solicitation, recommended for a business case review or disapproved/rejected <ol style="list-style-type: none"> a. If decision is made to proceed with a new solicitation, Contract and Vendor Management Manager will make the RFO assignment and forward pertinent information to assigned Contract Manager b. Sourcing Analytics will conduct a business case analysis. The business case analysis will include but is not limited to demand forecasting, market analysis and supply strategy creation. Sourcing Analytics will issue letter notifying Requestor of decision to perform review <ol style="list-style-type: none"> i. Upon completion of business case research, Requestor will be notified of review results c. If decision is made to disapprove/reject NPSR, Sourcing Analytics will issue letter notifying Requestor of decision not to proceed d. Sourcing Analytics will document all decisions related to NPSRs <ol style="list-style-type: none"> i. Sourcing Analytics updates the Log ii. Sourcing Analytics notifies Requestor of decision in writing

Procedure Number/Title	1.20 Initial Assessment Request Tool
	<ul style="list-style-type: none"> iii. Sourcing Analytics files copy of letter to Requestor, NPSR and any paper documentation iv. Sourcing Analytics logs completion date in log
Date of Last Revision	12/2013

Procedure Number/Title	1.30 Recommendation Tool
Purpose	To acquire as much information as possible about a Product or Service to make a recommendation whether to conduct a new procurement
When to Use	When gathering and documenting justifications to support recommendations, as needed
Responsibility	Sourcing Analytics Team, Contract Manager, Contract and Vendor Management Manager
Procedure	<ol style="list-style-type: none"> 1. Review recommendation: <ol style="list-style-type: none"> a. New Product and/or Service Request Form (NPSR) (Appendix 2) and Sourcing Analytics Team recommendation documentation b. Internal recommendation <ol style="list-style-type: none"> i. Completed Legislation ii. Management directive c. External recommendation d. Contract extension or re-bid recommendation <ol style="list-style-type: none"> i. Contract Manager 2. Types of Information to be Gathered (possible sources to utilize are located in Research Sources, Appendix 5): <ol style="list-style-type: none"> a. Product/Service Offering <ol style="list-style-type: none"> i. Sample Product list or Product/Service categories ii. Any related 3rd party items iii. Function of Product or Service b. How is the Product or Service commonly sold (e.g., direct or resellers) c. Authorized Resellers, does the reseller have to obtain certification from the manufacturer or publisher d. Issues that may impact the Product or Service e. Other Contracts used by public entities (e.g., other state Contracts, consortia Contracts, GSA) f. Common pricing structure (e.g., discount from list, tiers pricing) g. Industry Standards, new or old technology h. Existing Contracts for similar Products and/or Services <ol style="list-style-type: none"> i. History of sales volume ii. Customer history iii. Identification of potential customers i. Potential sales volume if available j. Potential cost avoidance if available k. If extension or re-bid, Vendor performance (Contract compliance) l. Value added by DIR Contract (e.g., additional discounts)

	<ol style="list-style-type: none"> 3. Sourcing Analytics will conduct an analysis that may include but is not limited to demand forecasting, market analysis and supply strategy creation. Contract Manager and Sourcing Analytics will review results <ol style="list-style-type: none"> a. Contract Manager contacts potential DIR customers regarding need for Product or Service b. Contract Manager will contact and meet with key Customers for input regarding Products or Services needed c. Contract Manager will identify Subject Matter Experts within DIR and at Customer agencies for assistance with RFO development and evaluation d. Contract Manager researches available products and trends 4. Retain hard-copy documentation of information gathered: <ol style="list-style-type: none"> a. Print all back-up information (e.g., websites, other state contracts) b. E-mails c. Memos of meetings 5. Prepare the Recommendation Package to include the following: <ol style="list-style-type: none"> a. Attach New Product and/or Service Request Form, if applicable b. Attach any other supporting documentation if applicable <ol style="list-style-type: none"> i. Cost Avoidance ii. Performance history iii. Vendor marketing plan 6. Route for Approval: <ol style="list-style-type: none"> a. Fill out Approval Routing Slip (Appendix 6) <ol style="list-style-type: none"> i. Select "Other" for type b. Place the Recommendation Package in a folder and attach the completed Approval Routing Slip c. Reviewer Process: <ol style="list-style-type: none"> i. Review complete Recommendation Package ii. Reviewers determine whether or not to proceed with recommendation iii. If proceeding, the Section Manager will assign the project to a Contract Manager d. If new Product and/or Service, Sourcing Analytics Team updates New Product and/or Services Log <ol style="list-style-type: none"> i. Decision to proceed (yes/no) ii. Contract Manager (if yes) e. If Amendment for extension is recommended the recommendation is signed off by Manager and Division Director
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	<ol style="list-style-type: none"> 7. Approved Recommendation Package routed to Contract Manager to begin drafting the Solicitation or Amendment 8. Review Contract Advisory Team approvals on T:\drive to determine if templates have been approved for posting by CAT <ol style="list-style-type: none"> a. If approved, proceed to 2.20 Draft the Solicitation b. If not, proceed to 2.10 CAT Review Submission 9. Make determination if products or services are E-rate eligible <ol style="list-style-type: none"> a. If not, proceed to 2.20 Draft the Solicitation b. If E-rate eligible, coordinate with E-rate Coordinator to request E-rate Certification. (Note: Upon E-Rate approval, there is a required 28 calendar day holding period prior to posting) 10. If approved, Contract Manager will submit request to have Solicitation listed on the DIR Current Contracting Initiatives web page <ol style="list-style-type: none"> a. Name of Solicitation b. Description c. Start Date d. RFO Release Date e. Contract Manager Name and email address
Date of Last Revision	12/2013

2. Procurement

Procurement covers the process from preparing the solicitation to reviewing proposals submitted. DIR follows the guidelines established in the Guide.

The Guide provides details on the preparation of the Statement of Work that parallels to the Request for Offers (RFO) document created by the Program and established templates used by the Program. The Program uses the description of the product or service to be procured as our specifications. Since the procurements made by the Program are Information Technology products and/or service purchases, and are not project related procurements, detailed specifications as described in the Guide are not always applicable. As a part of the preparation of the solicitation, standard information is included in the RFO including: submission requirements, evaluation criteria and weights, and the Cooperative Contracts business model (see 2.20 Draft the Solicitation). A sample Contract document is also attached to the RFO.

The Program posts all RFOs on the Electronic State Business Daily (formerly Texas Marketplace, hereinafter "ESBD") regardless of the dollar amount. The RFO document details any vendor conferences, communications guidelines, and submission requirements.

The procedures necessary for Section 2, Procurement, are contained in the following pages.

Procedure Number/Title	2.10 CAT Review Submission
Purpose	To obtain review from the Contract Advisory Team (CAT) to solicit a major contract
When to Use	Prior to soliciting a major contract, defined as any IT contract over \$10,000,000.00 in value over the life of the transaction
Responsibility	Contracts Attorney, Contract and Vendor Management Manager, Designated Contract Manager
Procedure	<ol style="list-style-type: none"> 1. Each fiscal year or whenever a major solicitation document changes substantially, the Program submits Templates for Request for Offers, Contracts, and Terms and Conditions to the CAT for review. 2. Contracts Attorney and Cooperative Contract Manager determine which templates will be submitted to TPASS for review. Cooperative Contract Manager or designated Contract Manager drafts solicitation review response for Templates that need to be submitted to CAT for review and approval. Documents are submitted electronically through the CPA Windows on state government web portal CATRAD system. CATRAD is the CAT online submission system. Information required but not limited to the following: <ol style="list-style-type: none"> a. Project Lead Name, Email Address, Phone Number, Job Title, and Certification b. Solicitation Type (i.e. RFO) c. Type of Review Required (i.e. CAT Review) d. Solicitation Number and Name e. Description and Comments f. Commodity class and item codes g. Estimated Total Value of Contract Planned h. Issuance date of solicitation i. Requested Response Date from CAT j. Core Business Function of Agency k. Complexity l. Public Safety m. Payment Method n. Technology o. Include any supporting documents as necessary (copies of RFOs, Contract templates, Terms and Conditions templates, etc.) <p>Copies of the templates submitted should be kept on the T: BUSOPS\CATRAD Docs\Contract Advisory Team Approvals\FY## Folder</p>

Procedure Number/Title	2.10 CAT Review Submission
	<ol style="list-style-type: none"> 3. Contract and Vendor Management Manager or designated Contract Manager enters required solicitation review information into CATRAD system. CAT will review the Solicitation template documents and respond with clarifications and recommendations. <ol style="list-style-type: none"> a. CAT will notify Cooperative Contract Manager if clarifications and recommendations require a response <ol style="list-style-type: none"> i. Contract Manager or designated Contract Manager will draft response to clarification request and forward to Contracts Attorney, Contract and Vendor Management Manager and Technology Sourcing Office Director for review and approval. ii. Upon approval, Cooperative Contract Manager or designated Contract Manager will provide clarification response to CAT if required iii. If any CAT recommendation is not applicable to the contract under review, DIR will provide a written explanation to the CAT iv. Upon approval, written recommendation and DIR response are placed in T:\BUSOPS\CATRAD Docs\Contract Advisory Team Approvals\FY## Folder v. Solicitation and contract documents are revised to incorporate the applicable CAT recommendations b. If CAT recommendations are received and no response is required, DIR may proceed with the solicitation(s) <ol style="list-style-type: none"> i. Manager or designated Contract Manager prepares internal response to recommendations and forwards draft to Contracts Attorney, Contract and Vendor Management Manager, and Technology Sourcing Office Director for review and approval. ii. Upon approval, written recommendation and DIR response is placed in T:\BUSOPS\CATRAD Docs\Contract Advisory Team Approvals\FY## Folder c. If CAT does not respond within 20 business days, DIR may proceed with the solicitation(s). Contract and Vendor Management Manager will incorporate any DIR internal changes/recommendation into solicitation documents as appropriate 4. Contract and Vendor Management Manager or designated Contract Manager notifies Contract Managers that Approval has been obtained 5. Proceed to 2.20 Draft the Solicitation

Procedure Number/Title	2.10 CAT Review Submission
Date of Last Revision	09/2014

Procedure Number/Title	2.11 Annual Procedure Review/Update
Purpose	To review business practices and update procedures as necessary
When to Use	Annual review and update of procedures in concurrence with the CAT review, but business process improvements is a continuous review effort that may warrant changes at any time
Responsibility	Contract Managers, Contract and Vendor Management Manager
Procedure	<ol style="list-style-type: none"> 1. At least once each fiscal year the Cooperative Contracts Program will review its procedures and current business practices and make the necessary changes <ol style="list-style-type: none"> a. Review current practices b. Review procedures c. Note/discuss differences d. Make necessary changes to procedures documents e. Notify staff of changes 2. If review and updates have not taken place during the previous twelve month period, then the target date for completing updates is September 1st
Date of Last Revision	12/2013

Procedure Number/Title	2.20 Draft the Solicitation
Purpose	To ensure that all solicitations are prepared in a consistent format in order to clearly communicate the needs and requirements of the solicitation.
When to Use	Any time a solicitation document is prepared
Responsibility	Contract Manager, Purchasing Office
Procedure	<ol style="list-style-type: none"> 1. Select one or more of the following appropriate solicitation documents and sample contract documents: <ol style="list-style-type: none"> a. Pricing Agreement Request for Offers (RFO) (Appendix 7) b. Standard Request for Offers (RFO) (Appendix 8) c. Contract for Products and Related Services (Appendix 31) d. Contract for Services (Appendix 32) e. Contract for Training (Appendix 61) 2. Create RFO Scope Statement (Appendix 53) <ol style="list-style-type: none"> a. Identify external Subject Matter Experts, if any, and route for review b. Route to internal technical experts for review 3. Copy applicable Request for Offers (RFO) and contract templates to folder created by Contract Manager under T:/Busops/Pre Contract/RFO/FY <ol style="list-style-type: none"> a. Create folder with Solicitation Name and No (e.g., Instructor-Led Training Services DIR-TSO-TMP-###) 4. Assign the Electronic State Business Daily (ESBD) DIR RFO posting number from the ESBD Posting Registry (Appendix 12) <ol style="list-style-type: none"> a. Assign the next sequential requisition number in the list b. Assign the Solicitation Title/Description c. Complete the Contract Manager name d. Complete the Assignment Date e. Complete the Type of Posting 5. Determine procurement schedule and update RFO accordingly <ol style="list-style-type: none"> a. Deadline for submitting questions b. Deadline for answering questions c. Deadline for submission of responses 6. Vendor conference determination and scheduling <ol style="list-style-type: none"> a. Determine whether a vendor conference will be held b. If yes:

Procedure Number/Title	2.20 Draft the Solicitation
	<ul style="list-style-type: none"> <ul style="list-style-type: none"> i. Determine if vendor conference will be mandatory or optional <ul style="list-style-type: none"> 1. Optional vendor conference is the standard default 2. If mandatory vendor conference, add statement to RFO ii. Schedule conference room for vendor conference using: <ul style="list-style-type: none"> 1. Department of Information Resources conference rooms 2. TFC conference room scheduling http://schedule.tfc.state.tx.us/ 7. Determine if there are any subcontracting opportunities in accordance with the HUB Policies and Procedures Manual Section 3.1 <ul style="list-style-type: none"> a. The majority of procurements have subcontracting opportunities. b. If the procurement has no subcontracting opportunities: <ul style="list-style-type: none"> i. Create Declaration of Subcontracting Opportunities (Appendix 9) <ul style="list-style-type: none"> 1. Sign the form 2. Obtain HUB Coordinator signature 8. Develop Evaluation Criteria and Reference Check (Appendix 10 & 10a) <ul style="list-style-type: none"> a. If pricing is less than 50% of total evaluation criteria weight, complete Evaluation Criteria Memo (Appendix 54) 9. Develop Administrative Review Checklist (Appendix 13); note which items are not applicable 10. Determine number of evaluators on the evaluation team 11. Draft the RFO details <ul style="list-style-type: none"> a. Insert assigned ESBD Posting Number and title on title page b. Format page headers with assigned ESBD Posting Number and title c. Update template with detailed and specific information pertaining to the procurement in each applicable section d. Create the Products/Services List, if applicable e. Update Schedule Section of RFO with dates and times f. Update Vendor Conference Section with date, time, location, mandatory/optional, or delete if not applicable g. Update response copies requested, request one original plus copies for the evaluation team h. Update Subcontracting Sections if no subcontracting opportunities available

Procedure Number/Title	2.20 Draft the Solicitation
	<ul style="list-style-type: none"> i. Update evaluation weights as applicable to Evaluation Criteria j. Enter a Help Desk Ticket on GATOR to request a mailbox be setup for reference submittals. Format of the mailbox should indicate a key word from the RFO title including the word “references” (e.g., datastoragereferences@dir.texas.gov) <p>12. Compare Evaluation Criteria with the RFO details to ensure that sufficient information is requested in the RFO</p> <p>13. Review and select applicable Commodity Codes</p> <ul style="list-style-type: none"> a. Commodity Codes are listed on the CPA website b. Commodity Codes are National Institute of Governmental Purchasing (NIGP) Codes c. Must include class and item number <p>14. Create ESD Posting Information Sheet (Appendix 11)</p> <ul style="list-style-type: none"> a. Attach screen prints of NIGP commodity codes from the CPA website b. Contract Manager forwards to Purchasing Office <p>15. Purchasing Office compiles potential vendor list from the Centralized Master Bidders List (CMBL)</p> <ul style="list-style-type: none"> a. All CMBL Vendors who have included the NIGP Commodity Codes applicable to the RFO b. Other potential vendors, if any, who may not be included in the CMBL list <p>16. Prepare final solicitation package</p> <ul style="list-style-type: none"> a. RFO Scope Statement b. Final version of the RFO c. CAT Approval Documentation (if applicable) d. Sample contract document e. Product/Services listing (if applicable) f. ESD Posting Information sheet g. Evaluation Criteria h. Administrative Review Checklist i. If no subcontracting opportunities, signed Declaration Form (Appendix 9) j. Evaluation Criteria Memo (Appendix 54), if applicable <p>17. Proceed to 2.30 Approval Routing – Internal</p>

Procedure Number/Title	2.20 Draft the Solicitation
Date of Last Revision	12/2013

Procedure Number/Title	2.30 Approval Routing – Internal
Purpose	To obtain review and approval of procurement solicitations prior to public posting
When to Use	Anytime a public solicitation is issued
Responsibility	Contract Manager except where noted
Procedure	<ol style="list-style-type: none"> 1. Fill out Approval Routing Slip (Appendix 6) <ol style="list-style-type: none"> a. All levels of approval are required for approval to post solicitations except Executive Director <ol style="list-style-type: none"> i. In certain instances, the Executive Director’s approval will be required b. Check “Solicitation Package” 2. Put Solicitation Package in folder and attach Approval Routing Slip 3. Route Solicitation Package for review and approval <ol style="list-style-type: none"> a. Reviewer Process: <ol style="list-style-type: none"> i. Review Evaluation Criteria (Appendix 10) for accuracy, ii. If acceptable, initial and date noting your review iii. Review remaining Solicitation Package, iv. Provide necessary comments, v. If acceptable, fill in applicable details on the Approval Routing Slip and route to the next party listed vi. If not acceptable, route back to Contract Manager for correction/clarification b. Approved Solicitation Package returned to Contract Manager c. Contract Manager reviews Solicitation Package for completeness to ensure documents were not lost during the Routing process d. Approved ESBD Posting Information with all bid packages attached routed electronically to Purchasing for posting on the ESBD 4. Proceed to 2.40 Posting

Date of Last Revision	09/2014
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Procedure Number/Title	2.40 Posting
Purpose	To provide the notice of solicitation opportunities to eligible vendors and the general public
When to Use	Any time a solicitation is issued
Responsibility	Contract Manager, Purchasing Office
Procedure	<ol style="list-style-type: none"> 1. Purchasing Office posts solicitation on the ESBD 2. Purchasing Office issues external notice of solicitation posting via e-mail to CMBL vendor list and list of potential vendors provided by Contract Manager 3. Purchasing Office notifies Contract Manager via e-mail that solicitation has been posted 4. Purchasing Office issues notice via e-mail to Outlook "DIR Everyone" list that the solicitation has been posted on the ESBD. Upon issuance of a solicitation, DIR employees should not discuss the contents of the solicitation with any Vendor or their representatives. All requests for information must be forwarded to the DIR Purchaser 5. Purchasing Office adds solicitation to Notice of Arrival Log (Appendix 20) <ol style="list-style-type: none"> a. Package Header b. Description c. Due Date/Time d. Contact Person 6. Purchasing Office posts Notice of Arrival Log in Purchasing Office (room 1335) and at the Front Desk (room 1300) 7. Purchasing Office creates Response Sign-in Sheet (Appendix 19) 8. Contract Manager verifies that solicitation and all necessary documents have been posted on the ESBD 9. Contract Manager obtains screen print of ESBD posting for solicitation procurement file 10. Proceed to 2.50 Vendor Conference, if applicable or 2.60 Solicitation Addenda Creation

Date of Last Revision	12/2013
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Procedure Number/Title	2.50 Vendor Conference
Purpose	To prepare and conduct a Vendor Conference
When to Use	Anytime a Vendor Conference is conducted
Responsibility	Contract Manager, Purchasing Office, unless otherwise noted
Procedure	<ol style="list-style-type: none"> 1. Prepare agenda based on RFO <ol style="list-style-type: none"> a. Vendor Conference Agenda (Appendix 15) b. Vendor Conference Facilitation Notes (Appendix 16) 2. Arrange for Scribe and/or tape recorder 3. Prepare Vendor Conference Sign-in Sheet (Appendix 14) 4. Coordinate attendance (as necessary) of internal participants at Vendor Conference <ol style="list-style-type: none"> a. HUB Coordinator b. Legal c. Contract Manager d. Contract and Vendor Management Manager e. Purchasing Office (Lead) f. Persons having subject matter expertise g. Scribe 5. Coordinate and conduct internal meeting with participants to discuss specifics prior to Vendor Conference, if needed 6. Purchasing conducts Vendor conference <ol style="list-style-type: none"> a. Introduction/house-keeping/sign-in b. Review RFO c. Review HUB plan if no HUB Program staff are available d. Conduct question and answers e. Closing summary 7. Collect sign-in sheet, tape recorder, Q&A notes 8. Scan sign-in sheet for e-mail to potential vendors upon request 9. Proceed to 2.60 Addenda Creation
Date of Last Revision	12/2013

Procedure Number/Title	2.60 Solicitation Addenda Creation
Purpose	To ensure that any changes or additional information related to a solicitation are prepared in a timely manner, with a consistent format and process
When to Use	Anytime changes or additional information related to a solicitation are necessary
Responsibility	Contract Manager, unless otherwise noted
Procedure	<ol style="list-style-type: none"> 1. Questions and answers or other notes from Vendor Conference are gathered, proceed to step 4 below 2. Questions and answers are submitted in accordance with the requirements in the solicitation <ol style="list-style-type: none"> a. Purchasing forwards vendor questions to Contract Manager b. Contract Manager drafts answers or obtains answers from subject-matter experts c. Contract Manager collects all questions and answers for addenda d. Proceed to step 4 below 3. Other addenda needed for clarification <ol style="list-style-type: none"> a. Document justification for making change or addition 4. Create Request For Offer Addenda (Appendix 17) 5. Fill out Approval Routing Slip (Appendix 6) <ol style="list-style-type: none"> a. Check "Other" b. Note in "Subject" that this is "Addenda # to Solicitation DIR-TSO-TMP-XXX" 6. Put Addenda with copy of RFO posting documents in folder and attach Approval Routing Slip. Include any additional documentation needed to justify addenda contents. <ol style="list-style-type: none"> a. All levels of approval, except Executive Director, are required for approval to post Addenda 7. Route Addenda for review and approval <ol style="list-style-type: none"> a. If Addenda contains answers to questions that must be posted according to published schedule, provide schedule date in e-mail b. Reviewer Process: <ol style="list-style-type: none"> i. Review complete Addenda ii. Provide necessary comments iii. If acceptable, fill in applicable details on the Approval Routing Slip and route to the next party listed

	<ul style="list-style-type: none"> iv. If not acceptable, route back to Contract Manager for correction/clarification c. Approved Addenda returned to Contract Manager d. Contract Manager reviews Solicitation Package for completeness to ensure documents were not lost during the Routing process <p>8. Contract Manager electronically forwards approved addenda to Purchasing Office for posting on the ESBD</p> <p>9. Proceed to 2.70 Solicitation Addenda Posting</p>
Date of Last Revision	12/2013

Procedure Number/Title	2.70 Solicitation Addenda Posting
Purpose	To ensure that any changes or additional information regarding a posted solicitation is provided to potential vendors
When to Use	Any time it is necessary to amend a posted solicitation or provide additional information regarding a posted solicitation
Responsibility	Contract Manager except where noted
Procedure	<ol style="list-style-type: none"> 1. Send email notification to Purchasing that solicitation addenda needs to be posted <ol style="list-style-type: none"> a. Requisition number (ESBD Posting number) b. Addenda number c. Attach document(s) to e-mail d. Type of document(s) (.doc, .xls, .pdf) e. Deadline for posting of Addenda f. Change to response due date, if applicable 2. Purchasing posts addenda on ESBD <ol style="list-style-type: none"> a. Purchasing updates details Section of ESBD Notice to alert vendors that an addenda has been posted 3. Purchasing notifies Contract Manager that Addenda has been posted 4. Contract Manager verifies posting 5. Contract Manager obtains updated screen print for solicitation procurement file 6. If applicable, Contract Manager provides notification to the Current Contracting Initiatives (CCI) web page administrator to update DIR CCI web page to reflect RFO response due date change
Date of Last Revision	12/2013

Procedure Number/Title	2.80 Solicitation Response Submission and Opening
Purpose	To ensure that all responses to solicitations are received, logged, and opened in a consistent manner
When to Use	When receiving any vendor response to a solicitation
Responsibility	Purchasing Office
Procedure	<ol style="list-style-type: none"> 1. Vendor response to solicitation is delivered to Purchasing Office 2. Response is date and time-stamped 3. Response logged in Response Sign-In Sheet (Appendix 19) by Purchasing Personnel 4. Response is placed in a secure, locked area 5. Upon response deadline posted in solicitation document, public opening occurs for any persons present for that purpose <ol style="list-style-type: none"> a. Responses are opened b. Respondents' names are read 6. A copy of label affixed to the response showing date and time stamp is made for procurement file 7. Late responses are returned to Vendor unopened <ol style="list-style-type: none"> a. Cut and paste Non-Responsive Letter Late Arrival (Appendix 21) in current DIR letterhead and attach to Vendor's container 8. A list of responding Vendors is made available on CCI on DIR web page 9. Proceed to 2.100 Administrative Review
Date of Last Revision	12/2013

Procedure Number/Title	2.90 Evaluation Team
Purpose	To develop evaluation team for review of proposals
When to Use	Anytime responses to solicitations are being evaluated
Responsibility	Contract Manager
Procedure	<ol style="list-style-type: none"> 1. Selection of evaluation team members <ol style="list-style-type: none"> a. Preferably odd numbers; three to five evaluators is optimum for most procurements b. Potential sources <ol style="list-style-type: none"> i. Subject matter experts ii. Contract Manager, Performance Team iii. Contract Manager, Lead Negotiator iv. Stake Holders (internal or external) 2. Obtain commitment from team members based on: <ol style="list-style-type: none"> a. Expected time frame for evaluation period b. Potential time requirements and potential volume of responses 3. Team briefing-set up, if needed <ol style="list-style-type: none"> a. Determine date and time b. Schedule conference room c. Provide notice to team members 4. Proceed to 2.100 Administrative Review
Date of Last Revision	12/2013

Procedure Number/Title	2.100 Solicitation Administrative Review
Purpose	To ensure solicitation responses received contain all mandatory response contents as listed within the RFO
When to Use	Anytime solicitation responses have been received
Responsibility	Purchasing Office except where noted
Procedure	<ol style="list-style-type: none"> 1. Purchasing Office Administrative Review <ol style="list-style-type: none"> a. Responses are listed in the Administrative Review Checklist (Appendix 13). All responses are reviewed to ensure they comply with the applicable items listed in the Administrative Review Checklist b. HUB Plan c. Original and required number of copies d. Required items listed in RFO e. References f. CMBL g. Executed Appendix A from RFO h. System of Award Management i. Terrorism List j. CPA Vendor Performance Program (on 1st page of CMBL) k. Recycling 2. Checklist and copies of HUB Plans are forwarded to HUB Coordinator <ol style="list-style-type: none"> a. HUB Coordinator reviews HUB plans to ensure they are complete and responsive in accordance with the HUB Policies and Procedures Manual Section 3.1 b. Obtain clarification if necessary: <ol style="list-style-type: none"> i. HUB Coordinator sends Request for clarification to Purchasing ii. Send list of Vendors to whom clarification should be sent iii. Purchasing issues clarification to Vendors iv. Purchasing sends clarification responses to HUB Coordinator v. HUB Coordinator finalizes responsiveness determination 3. Update Administrative Review Checklist noting whether solicitation response is considered responsive 4. Upon final review and concurrence, Administrative Review Checklist is signed and dated by the Purchaser and HUB Coordinator

Procedure Number/Title	2.100 Solicitation Administrative Review
	<ol style="list-style-type: none"> 5. Purchasing forwards RFO responses and Administrative Review Checklist to Contract Manager (concurrent with HUB Review) 6. If Financial review is required in the RFO, checklist and responses are forwarded to Finance <ol style="list-style-type: none"> a. Finance reviews the Dun & Bradstreet scores to determine risk rating b. Risk rating score will be listed as a Pass or Fail for each Vendor reviewed c. Financial review is documented and provided to Contract Manager 7. Purchasing sends Non-Responsive Letter (Appendix 22) on current DIR letterhead to Vendors whose responses were determined to be non-responsive 8. Proceed to 2.110 Proposal Evaluation
Date of Last Revision	12/2013

Procedure Number/Title	2.110 Proposal Evaluation
Purpose	To ensure that a consistent process is followed when evaluating solicitation responses
When to Use	Anytime responses to solicitations are being evaluated
Responsibility	Contract Manager, Purchasing Office, Evaluation Team
Procedure	<ol style="list-style-type: none"> 1. Contract Manager develops evaluation team in accordance with 2.90 Evaluation Team 2. Contract Manager assigns each evaluation team member a number 3. Contract Manager creates folder in T:/Busops/Pre-Contract /ITNs/(folder created for Solicitation) for each evaluation team member <ol style="list-style-type: none"> a. Copy electronic Evaluation Criteria (Appendix 10) for each responsive Vendor (those who made it past administrative review) 4. Evaluation team briefing <ol style="list-style-type: none"> a. Contract Manager conducts introductions, kick-off b. Contract Manager reminds team of personal ethics, deadline for completion of evaluation c. Contract Manager collects signed Non-Disclosure Statements (Appendix 18) from each evaluation team member d. Contract Manager distributes evaluation flash drives and evaluation criteria forms <ol style="list-style-type: none"> i. Copy of RFO ii. One (1) copy of each response iii. One (1) copy of individual evaluation criteria e. Contract Manager reviews evaluation criteria with team to clarify issues or answer any questions f. Contract Manager establishes evaluation completion deadline 5. Purchasing Office reviews references submitted with Vendor responses (Bid Package X, Vendor References) <ol style="list-style-type: none"> a. All reference checks are sent out with RFO and must be returned on or before the closing date specified in the RFO b. Purchasing Office will summarize references; Contract Manager verifies and enters scores into combined evaluation 6. Each team member reads, evaluates, and scores proposals by deadline and forwards electronically to Contract Manager

Procedure Number/Title	2.110 Proposal Evaluation
	<ol style="list-style-type: none"> 7. Post-evaluation meeting <ol style="list-style-type: none"> a. Discuss issues, questions regarding responses and scoring issues b. Determine if clarification needed from vendors 8. If clarification needed from vendors <ol style="list-style-type: none"> a. Contract Manager sends clarification request information to Contracts Attorney, if needed and Contract and Vendor Management Manager for review and concurrence <ol style="list-style-type: none"> i. Contract Manager incorporates any changes as applicable b. Contract Manager sends Purchasing Office the request for clarification and list of Vendors to whom request should be sent c. Purchasing issues clarification request to Vendors d. Purchasing sends clarifications to Contract Manager e. Contract Manager meets with evaluation team to discuss clarifications, if applicable f. Evaluation team members may revise score(s) accordingly upon clarification of information 9. Evaluation team members notify Contract Manager that scoring is complete and resends electronically to Contract Manager 10. Contract Manager compiles Individual Evaluator scores into combined score sheet 11. Contract Manager reviews evaluation team members' scores for anomalies 12. If one or more evaluation team members' evaluations differ from the majority <ol style="list-style-type: none"> a. Contract Manager meets with evaluation team as a group <ol style="list-style-type: none"> i. Evaluation team discusses the fact that there were anomalies without discussing actual scores ii. Evaluation team discusses the situation to ensure evaluation criteria were clear and that response information was not overlooked or misunderstood iii. Under no circumstances should any evaluation team member attempt to pressure other members to change evaluation scores b. Evaluation team members may, at their own discretion, revise score(s) and provides revised score(s) to Contract Manager <ol style="list-style-type: none"> i. Contract Manager updates combined score sheet according to evaluation team members' revisions

Procedure Number/Title	2.110 Proposal Evaluation
	<p>c. If anomalies still exist, Contract Manager reviews combined score sheet with Contract and Vendor Management Manager for resolution</p> <p>13. Contract Manager evaluates the number and significance of exceptions taken by the vendor, if any, according to the Scoring Criteria for Exceptions to Standard Terms and Conditions (Appendix 59) procedures to develop a preliminary score. The preliminary score is reviewed and approved by DIR Legal Counsel. The final score for Exceptions to Standard Terms and Conditions is added to the vendor's score</p> <p>14. Contract Manager tallies Reference and Pricing Scores and adds to the combined score sheet for final scores</p> <p>15. Contract Manager reviews scores to determine competitive break</p> <p>16. Proceed to 2.120 Selection for Negotiation</p>
Date of Last Revision	12/2013

Procedure Number/Title	2.120 Selection for Negotiation: Notification to All Participating Vendors
Purpose	To ensure that selection of vendors for negotiation is conducted in a fair and consistent manner
When to Use	Anytime vendor responses to solicitations are selected for negotiations
Responsibility	Contract Manager
Procedure	<ol style="list-style-type: none"> 1. Based on scores from combined evaluation, Vendor responses are selected for negotiation based on position related to the competitive break or other selected methodology if competitive break does not result in appropriate selection results <ol style="list-style-type: none"> a. Document methodology for Vendor selection on Recommendation for Negotiations (Appendix 28) 2. Fill out Approval Routing Slip 3. Prepare Recommendation for Negotiations packet <ol style="list-style-type: none"> a. Completed Recommendation for Negotiations b. Combined score sheet and other documentation needed to support recommendation c. Include Intent to Negotiate (Appendix 58) (ITN) Sample Letter d. Provide list of vendors not selected for negotiations and include sample letter 4. Attach Approval Routing Slip 5. Route Recommendation for Negotiations (RFN) packet for approval <ol style="list-style-type: none"> a. Reviewer process <ol style="list-style-type: none"> i. Contract Manager forwards RFN packet for CTPM/CTCM review, then to Contract and Vendor Management Manager ii. Provide necessary comments iii. If acceptable, sign acceptance on Recommendation for Negotiations and route to next party listed iv. If not acceptable, resolve issues with Contract Manager b. Approved packet returned to Contract Manager 6. Contract Manager prepares ITN and No Intent to Negotiate letters and forwards to Purchasing Office for dissemination by email. Purchasing Office advises Contract Manager when all letters have been sent. If any emails are non-deliverable, Purchasing Office works with Contract Manager to correct or determine alternative means of delivery

Procedure Number/Title	2.120 Selection for Negotiation: Notification to All Participating Vendors
	7. Proceed to 3.10, Contract Negotiation
Date of Last Revision	12/2013

Procedure Number/Title	2.130 Vendor Debrief Process
Purpose	To provide vendors who are not selected for negotiation with an opportunity to understand their scores
When to Use	Anytime a vendor requests a debriefing prior to Procurement Process Close-Out (all contracts awarded)
Responsibility	Contract Manager
Procedure	<ol style="list-style-type: none"> 1. At any time subsequent to receipt of a letter indicating that the vendor has not been selected for negotiations but prior to completion of Procurement Close-Out, a vendor may request a vendor debrief 2. The debrief should be scheduled by the contract manager as soon as possible and may be by meeting in person or by teleconference 3. If meeting in person, debrief documents (Appendix 60) will be provided to the vendor in hard copy at the meeting. If by teleconference, debrief documents will be provided via fax or email in PDF format just prior to or at the time of the meeting 4. The information provided and discussed with the vendor must conform to the information provided in the debrief document and be limited to the individual vendor's information and cannot include discussion of other vendors' proposals or scores. The focus of the debrief should be on how a vendor might achieve higher scores on future proposals
Date of Last Revision	12/2013

3. Contract Formation

Contract Formation covers the process from negotiation of the contract to the contract close-out process. The Cooperative Contracts Program follows the guidelines established in the Guide.

The Program has several contract templates that are used as the basis for DIR Contracts. These templates are included in the Appendices to these Procedures. The Program has a team approach to the formation of a Contract, including the Chief Operating Office, Division Director, Contract and Vendor Management Manager, Contracts Attorney and the Contract Managers. When appropriate, the Executive Director of DIR is also involved in the contracting process.

In this Section, we have included procedure 3.40, Procurement Process Close-Out. The purpose is to ensure that all procurements are assessed and documented in a consistent manner to determine if there are any lessons learned for future procurement efforts.

The procedures necessary for Section 3, Contract Formation, are contained in the following pages.

Procedure Number/Title	3.10 Contract Negotiation
Purpose	To ensure that all contract negotiations are conducted in a consistent manner in order to obtain the best value for the State
When to Use	Anytime a contract is negotiated
Responsibility	Contract Manager, Contract Negotiation Team, Contracts Attorney as needed
Procedure	<ol style="list-style-type: none"> 1. Status Check of Vendor <ol style="list-style-type: none"> a. CPA Tax standing <ol style="list-style-type: none"> i. Check http://www.window.state.tx.us/procurement//cdbl/cdblhub.html link to Comptroller of Public Accounts Verify that CPA records show vendor is in good standing. Print out findings for file. If status is inactive or not in good standing, Contract Manager must direct vendor to resolve issues before an award can be made b. CMBL Status/Vendor Performance <ol style="list-style-type: none"> i. Check http://www.window.state.tx.us/procurement//cdbl/cdblhub.html ii. Omit this step if Vendor does not have a CMBL listing c. HUB Status <ol style="list-style-type: none"> i. Check http://www.window.state.tx.us/procurement//cdbl/cdblhub.html ii. Confirm HUB status and type, if applicable iii. Print out for file d. Accessibility Questionnaire Review Contract Manager must obtain Voluntary Product Accessibility Template (VPAT) spreadsheet from the agency Accessibility Coordinator (AC), complete Vendor information and forward to AC along with one set of response flash drives. Agency AC will complete comments on the spreadsheet and return to Contract Manager noting if further action is required. This becomes part of the Procurement file e. System for Award Management (SAM) maintained by the General Services Administration <ol style="list-style-type: none"> i. Check https://www.sam.gov/portal/public/SAM/ Verify that vendor is not suspended or debarred from doing business with the federal government ii. Print out for file f. SDN Terrorism List published by the United States Department of the Treasury, Office of Foreign Assets Control <ol style="list-style-type: none"> i. Check http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx to verify that Vendor is not listed as a terrorist or terrorist organization ii. Print out for file

Procedure Number/Title	3.10 Contract Negotiation
	<ul style="list-style-type: none"> g. CPA Vendor Performance Program (on 1st page of CMBL) <ul style="list-style-type: none"> i. Check http://www.window.state.tx.us/procurement/cmb/cmbhub.html to ensure that Vendor has not been barred by CPA h. Debarred Vendor List <ul style="list-style-type: none"> i. Check http://www.window.state.tx.us/procurement/prog/vendor_performance/debarred/ to verify Vendor is not on CPA Debarred Vendor List Print out for file <ol style="list-style-type: none"> 2. If any requirements of Step 1 are not met by Vendor, notify Vendor immediately for reconciliation before an award can be made 3. Begin drafting contract language using Contract document selected in 2.20 Draft the Solicitation 4. Review Vendor's response for exceptions to Contract terms and conditions <ol style="list-style-type: none"> a. Determine which exceptions appear to be reasonable and/or draft proposed language that would be acceptable b. Note which exceptions do not appear to be reasonable c. Send exceptions responses to Contracts Attorney for review and approval 5. Review pricing contained in Vendor's response <ol style="list-style-type: none"> a. Contract Manager will request Vendor to complete Cost Avoidance Spreadsheet (Appendix 57) with top selling items to assist with price comparisons. Calculate preliminary cost avoidance to determine level of pricing Vendor is offering DIR Customers (see Section 4.200 Cost Avoidance). If pricing is not acceptable, Contract Manager will use the cost avoidance information to further negotiations 6. If there is a Negotiation Team, then meet with Contract Negotiation Team to discuss: <ol style="list-style-type: none"> a. Vendor's exceptions to Contract terms and conditions <ol style="list-style-type: none"> i. Possible draft language to address exceptions to terms and conditions ii. Vendor exceptions that cannot be accepted b. Vendor's proposed pricing <ol style="list-style-type: none"> i. Assumptions, anomalies, discrepancies ii. Pricing as it compares to other purchasing consortia

Procedure Number/Title	3.10 Contract Negotiation
	<ul style="list-style-type: none"> iii. Best value pricing methodology is documented to support Appendix 28 (Recommendation for Negotiation) c. Strategy for negotiations <ul style="list-style-type: none"> i. Roles and responsibilities of team members <ul style="list-style-type: none"> 1. Depending on scope and complexity of negotiations, level of involvement by team members will vary ii. Desired pricing iii. Desired language iv. Determine “must have” items and their priority v. Determine items that can be given up or traded for “must have” vi. Determine timelines of team member responsibilities 7. Begin incorporating acceptable terms and conditions into draft contract 8. Contract Negotiation Team or Contract Manager negotiates with Vendor <ul style="list-style-type: none"> a. Work to resolve all issues via e-mail, telephone, or face-to-face meetings as needed <ul style="list-style-type: none"> i. Contract Language ii. Pricing b. Contract Manager will incorporate proposed and agreed-to language into draft Contract c. Contract Negotiation Team or Contract Manager will determine when it is appropriate to send the first draft of the Contract to the Vendor 9. Upon completion of negotiations, Contract Manager will make sure all agreed-to language is incorporated into the draft Contract <p>If there is a Contract Negotiation Team, then Contract Negotiation Team may review the proposed final Contract for complex solicitations</p> 10. If acceptable terms or pricing cannot be reached through negotiations, Contract Manager, Contract and Vendor Management Manager, Division Director and Legal will determine if a cease to negotiate letter should be issued to vendor <ul style="list-style-type: none"> a. Contract Manager will prepare a draft Cease to Negotiate letter (Appendix 62) stating reason for decision b. Contract Manager will prepare a routing slip and attach to the front of a blue folder

Procedure Number/Title	3.10 Contract Negotiation
	<ul style="list-style-type: none"> c. Contract Manager will prepare a timeline of communication with vendor and insert in opposite side of blue folder d. Folder will be forwarded for internal approval: <ul style="list-style-type: none"> i. CTPM/CTCM ii. Contract and Vendor Management Manager iii. Technology Sourcing Office Director iv. Office of General Counsel e. If correction is requested by any approver, the packet is sent back to the Contract Manager for revision f. If all approvals are received, the packet is returned to the Contract Manager who forwards the letter to the purchasing office for dissemination g. Letter and timeline are placed in the final procurement file <p>11. Proceed to 3.20 Contract Assembly</p>
Date of Last Revision	09/2014

Procedure Number/Title	3.20 Contract Assembly
Purpose	To ensure that all documentation is complete and all agreed-to language is incorporated in Contracts prior to contract execution
When to Use	Any time a Contract is being assembled prior to final review and signature
Responsibility	Contract Manager
Procedure	<ol style="list-style-type: none"> 1. Create final contract documents <ol style="list-style-type: none"> a. Assign next available contract number from Contract Registry.xls (T:\BusOps\Contract Management\Contract Templates & Registry) b. Ensure all agreed-to language changes and pricing have been incorporated into final contract document c. Ensure all agreed-to language has been incorporated into any vendor-supplied appendices d. Incorporate applicable Standard Terms and Conditions as Appendix A e. Incorporate Vendor's HUB plan as Appendix B f. Incorporate pricing as Appendix C, if applicable g. Spell check documents, proof-read documents 2. If the Vendor requires an executed original, print two copies of final Contract and all appendices. If Vendor requires a copy of the executed contract, print one copy of the final Contract and all Appendices 3. Update cost avoidance in accordance with 4.200 Cost Avoidance, based on final contract pricing assuring cost avoidance discounts/pricing match the relative discounts/pricing shown in Appendix C 4. Complete <i>Disclosure Statement for Purchasing Personnel</i> forms <ol style="list-style-type: none"> a. Obtain form(s) from: http://www.sao.state.tx.us/Resources/Forms/NepotismDisclosureForm.pdf b. Use one form for DIR staff c. Complete Part 1 of form including: <ol style="list-style-type: none"> i. Name of company d. Complete Filer's Information (DIR's address) e. Insert staff names and titles on forms as applicable f. Include: <ol style="list-style-type: none"> i. Contract Manager ii. All evaluators iii. All persons who will sign the Approval Routing Slip

Procedure Number/Title	3.20 Contract Assembly
	5. Status Check of Vendor if previous check was more than 30 days ago, repeat step 1 of Procedure 3.10 6. Proceed to 3.30 Recommendation for Award and Execution
Date of Last Revision	12/2013

Procedure Number/Title	3.30 Recommendation for Award and Execution
Purpose	To ensure that all Contracts are routed, reviewed, approved and signed by Vendor and DIR
When to Use	Anytime a new Contract is ready for signature
Responsibility	Contract Manager, except where noted
Procedure	<ol style="list-style-type: none"> 1. Create Contract Scope Information (Appendix 29) <ol style="list-style-type: none"> a. Contract Scope Statement 2. Fill out Approval Routing Slip (Appendix 6) and staple to cover of routing folder 3. Prepare Final Contract Package <ol style="list-style-type: none"> a. One or two signed originals of Contract (See 3.20 (2)) b. Contract Scope Statement c. Hard copy (not thumb drive) of awarded Vendor's response to the RFO d. Cost Avoidance and supporting documentation e. <i>Disclosure Statement for Purchasing Personnel</i> forms f. Screen prints from Vendor Status check: <ol style="list-style-type: none"> i. CMBL page showing HUB status if applicable and vendor performance ii. CPA Tax Standing iii. System for Award Management (SAM) iv. US Treasury Terrorism List (SDN) v. CPA Debarred List 4. Internal routing of Final Contract Package for approval to send to Vendor for signature <ol style="list-style-type: none"> a. Reviewers <ol style="list-style-type: none"> i. CTPM/CTCM ii. Contract and Vendor Management Manager iii. Division Director iv. Contracts Attorney b. Reviewer process <ol style="list-style-type: none"> i. Review complete Final Contract Package ii. Provide necessary comments iii. Fill in applicable details on Approval Routing Slip iv. Route to next party listed v. If not acceptable, route back to Contract Manager for clarification or correction c. CTPM/CTCM process

Procedure Number/Title	3.30 Recommendation for Award and Execution
	<ul style="list-style-type: none"> i. Review Routing slip (stapled to the front of blue folder) Review the Vendor Name, Contract Number, Contract Term, Funding Requirements, and Business Impact with supporting documentation in the folder for accuracy, punctuation, and verbiage. Ensure Contract is checked for accuracy. Review any Administrative Notes ii. Right side of folder should contain: <ul style="list-style-type: none"> The Contract – Ensure the document is the current version of the contract. Review the contract number, vendor name, notification information for accuracy and note any discrepancies. Ensure terms that are not related to the contract have been removed and Appendices are noted Appendix A – Ensure the current version is included in the folder Appendix B – HSP Sub-contracting Form. Appendix C Pricing Index (if applicable)-Ensure the pricing sheet reflects the discount amounts submitted in the vendor's proposal. Appendices- Ensure all Appendices are in the contract folder and are accurately marked iii. Left side of folder should contain: <ul style="list-style-type: none"> Contract scope – All fields on the Scope Statement should be completed. Ensure Contract Number, Contract Title, and Prime Vendor Name is correct. Ensure Actual Pricing Methodology is documented in detail. Ensure the projected sales reflect the amount as indicated by the vendor in the folder's documentation and the Cost Avoidance amount is the same as reflected on the Cost Avoidance Sheet. Ensure vendor contact information is accurately entered Cost avoidance –Ensure the Vendor Name, Contract Number, and cost avoidance formulas captured are the correct fields and is calculated correctly. There should be 2 copies of the cost avoidance in the folder, one that contains the % and one the show the formulas. Contract Manager reviewing should initial and date the first page of the cost avoidance in the lower right hand corner as confirmation spreadsheet was reviewed and all elements were recorded and correct Supporting Documentation –If updates were made to Appendix C to (e. add/remove product or increase discounts) documentation requesting this update should be available in the folder Compliance Review Franchise Tax CMBL SAM

Procedure Number/Title	3.30 Recommendation for Award and Execution
	<p>SDN US Treasury Specifically Designated Nationals CPA Debarred Vendor List</p> <p>Non-Disclosure (NDA) – Ensure the form is correct and accurate and has all necessary signatures</p> <p>d. Approved Final Contract Package returned to Contract Manager</p> <p>5. Notify Vendor that Contract is ready for signature and coordinate signature by Vendor</p> <p>6. Preferred method for obtaining signatures is email</p> <ol style="list-style-type: none"> Create PDF of contract documents Email documents to Vendor. Instruct Vendor to print, sign and return one signed original document if Vendor wishes to receive a copy of the fully executed contract. Instruct Vendor to print, sign and return two signed original documents if Vendor wishes to receive a fully executed original <p>7. If Vendor is available locally, coordinate signature at DIR offices</p> <p>8. Receive one or two originals of Contract signed by Vendor</p> <p>9. Review both Contract originals to ensure that they have been signed and dated by authorized Vendor representative</p> <p>10. Forward Final Contract Package to Contracts Attorney and Executive Director for final execution</p> <ol style="list-style-type: none"> Use routing slip previously used in Step 4 above <p>11. Final Execution</p> <ol style="list-style-type: none"> Contracts Attorney and Executive Director initial and date routing slip in “Final” column Contracts Attorney initials original(s) of the Contract Executive Director signs original(s) of the Contract for final execution <p>12. Executed Contract returned to Contract Manager</p> <ol style="list-style-type: none"> Review both Contract original(s) to make sure Executive Director and Contracts Attorney signatures and date are complete <p>13. Route <i>Disclosure Statement for Purchasing Personnel</i> forms and original signed approval routing slip to DIR Executive Director for signature if contract is signed by delegated authority. Otherwise Executive Director will sign Disclosure at execution signing</p>

Procedure Number/Title	3.30 Recommendation for Award and Execution
	<p>a. Signed forms are returned to Contract Manager for vendor's contract file</p> <p>14. If Vendor will receive a copy of the fully executed contract, then PDF and email a copy to the Vendor. If Vendor will receive a fully executed original, then send one fully executed original Contract to Vendor</p> <p>15. Proceed to 3.40 Procurement Process Close-Out</p>
Date of Last Revision	09/2014

Procedure Number/Title	3.40 Procurement Process Close-Out
Purpose	To ensure that all procurements are assessed and documented in a consistent manner
When to Use	When closing out any procurement process to determine if there are any lessons learned for future procurement efforts
Responsibility	Contract Manager
Procedure	<ol style="list-style-type: none"> 1. Notify Purchasing that Contracts have been executed <ol style="list-style-type: none"> a. Prepare Award List and forward to Purchasing requesting award be posted on ESBD Include: <ol style="list-style-type: none"> i. Awarded Vendor Name, address and phone number ii. Items or brands or other description, contract term, contact information and contract number iii. Full Award iv. HUB/Non-HUB Vendor b. Print screen print of award notice for Procurement File 2. Review the procurement process and note any steps that went well or did not go well 3. Create Procurement Process Assessment – to be completed with thirty (30) days of solicitation close. (Appendix 46) 4. Items to look at: <ol style="list-style-type: none"> a. Type of questions regarding RFO, if the same questions were asked by multiple vendors perhaps the RFO was not clear enough b. If vendor conference was held, did it add value c. If vendor conference was not held, would it have helped d. Review reasons for disqualifications e. Review the number of responses received <ol style="list-style-type: none"> i. If received less than 3 responses, query potential vendors to see why they didn't bid ii. Were there enough responses to ensure healthy competition f. Appropriateness of scope, too broad or too narrow g. Review negotiations process to see if RFO or sample contract was appropriate h. Evaluation criteria, determine if there could be improvements to the template i. Was the size and composition of the evaluation team appropriate j. Document anything else regarding the process that went well or could be improved upon, cite specific examples k. Provide possible remedies for future procurements

Procedure Number/Title	3.40 Procurement Process Close-Out
	5. Proceed to 3.50 Procurement File Assembly
Date of Last Revision	12/2013

Procedure Number/Title	3.50 Procurement File
Purpose	To ensure that all documentation associated with a procurement has been collected and properly filed
When to Use	Anytime a procurement has been completed and contract(s) has been established
Responsibility	Contract Manager
Procedure	<ol style="list-style-type: none"> 1. Place the following items in the procurement file: <ol style="list-style-type: none"> a. Copy of RFO, all appendices, attachments, amendments b. Screen print of ESBD posting c. Response Sign-In sheet (Appendix 19) d. Flash drive of each response submitted (including those that were disqualified for being non-responsive), and CD-ROM if applicable e. Combined evaluation score sheet and instructions f. Signed Non-Disclosure Statements (Appendix 18) g. Screen print of ESBD Award Notice h. Administrative Review Checklist (Appendix 13) i. Vendor conference Sign-in Sheet (Appendix 14), Agenda (Appendix 15), and Facilitation Notes (Appendix 16) j. Approval from Contract Advisory Team (CAT) , if applicable k. Declaration of Subcontracting Opportunities (Appendix 9), if applicable l. New Product and/or Service Request Form (Appendix 2) or other Request document m. Pre-solicitation research documentation n. RFO Scope Statement (Appendix 53) o. Evaluation Criteria Memo (Appendix 54), if applicable 2. Forward Procurement File to Purchasing Office for filing in accordance with Agency Records Retention Policy, Section 6, Setting Up Files 3. Proceed to 4.10 Contract Set-up
Date of Last Revision	12/2013

4. Contract Oversight/Administration

Contract Oversight/Administration covers the process of managing a Contract. DIR follows the guidelines established in the Guide.

DIR has a team approach to Contract Management that includes the Contract Manager, Contract and Vendor Management Manager, Division Director, Contracts Attorney, and the Reporting Staff.

The standard model for the Cooperative Contracts established by DIR is the Go DIRect model. Under this model, all orders and payments are issued from the Customer directly to the Vendor. DIR is not involved in the payment authorization process. DIR may periodically conduct Compliance Audits (procedure 4.140 Vendor Sales Compliance Audit). The Telecommunications Contracts are managed by the Telecommunications Division of DIR that works with the Finance Section on payments and billing. Those activities are outside the scope of duties of the Cooperative Contracts Program Contract Managers. The Contract Managers are responsible for the Vendor reporting and amendment process, but not the collection of Telecommunications administrative fees.

Because of the nature of the Cooperative Contracts and the Go DIRect model used in our Contracts, extensive detail is included in this procedure regarding reporting, review of reports and collection of administration fees.

Issues resolutions including change management, dispute resolution, and termination are addressed in procedure 4.210 Issues Resolution. In addition to the Contract Manager, the Contracts Attorney has a significant amount of responsibility in this area.

Contract Files are all kept in a secured centralized location. The Contract Manager has responsibilities for keeping the Contract files updated and maintained through-out the term of the Contract.

The procedures necessary for Section 4, Contract Oversight/Administration, are contained in the following pages.

Procedure Number/Title	4.10 Contract Set-Up
Purpose	To ensure that all new Contracts are set up in a consistent format and that all parties are notified of new Contract establishment
When to Use	Anytime a new Contract has been completed
Responsibility	Contract Manager
Procedure	<ol style="list-style-type: none"> 1. Fill out Additional Contract Details from Contract Scope Information (page 2 of Appendix 29) 2. Send Contract Information to the ITSourcing Digest Administrator 3. Update electronic contract document signature page <ol style="list-style-type: none"> a. Insert “<i>signature on file</i>” in signature blocks and add titles b. Insert date signed by both parties c. Insert Contract Attorney initials and date 4. Contract Manager establishes contract file in Salesforce to automatically feed DIR website <ol style="list-style-type: none"> a. Contract Information <ol style="list-style-type: none"> i. Contract Number ii. DIR Contract Manager Name iii. Contract Start Date iv. Contract Status v. Last Report Date vi. Guaranteed Revenue vii. Product Type, select from dropdown menu viii. Product subtype, select from dropdown menu ix. Legal Vendor Name x. Description, list Solicitation Title and RFO No. xi. Vendor Name xii. DIR Contract Manager email address xiii. Contract End Date (date current term expires) xiv. Contract Termination Date (date contract expires assuming all extensions are executed) xv. Extension Period xvi. Comments xvii. Contract Category b. Contract Detail <ol style="list-style-type: none"> i. Contract Type ii. Primary Admin Fee (i.e. 1%, 2%) iii. Secondary Admin Fee, if applicable iv. Cost Avoidance v. Contract Report Frequency

Procedure Number/Title	4.10 Contract Set-Up
	<ul style="list-style-type: none"> vi. Contract Expiration Date vii. Validate by Manufacturer viii. Previous Contract Manager ix. Contract Subtype x. Admin Fee Description xi. Contract Report Start Date xii. Date Cost Avoidance Conducted xiii. Guaranteed Revenue Start Date c. Address Information d. Reseller Information e. Subcontractor Information f. Brands g. Commodity Codes h. Product/Service type Contacts <p>5. Send email notice to Webservices to populate certain attributes of contract information on DIR website:</p> <ul style="list-style-type: none"> a. Email Subject Line: New Contract with ABC Company DIR-TSO-XXX b. Request the following information be added to the DIR website and attach documents to the email: <ul style="list-style-type: none"> i. Contract document with expiration date ii. Appendix A, Terms and Conditions iii. Appendix B, HUB Plan iv. Appendix C, Pricing Index v. Other Appendices for Vendor license/service agreements, etc <p>6. Send email notice to Vendor of contract execution identifying requirements that have time constraints. Include instructions to contact newly assigned Performance Contract Manager (providing contact information) to schedule vendor orientation meeting (see 4.40)</p> <ul style="list-style-type: none"> a. Specific New Contract Requirements: <ul style="list-style-type: none"> i. Insurance certificate ii. Website iii. First Sales Report iv. Reseller information (if available) v. Press Release Approval vi. Other relevant information <p>7. Create Contract Folder Checklist (Appendix 55) and check off items while proceeding through Step 7</p>

Procedure Number/Title	4.10 Contract Set-Up
	<ol style="list-style-type: none"> 8. Create Contract folder in accordance with Contract Folder Guide (Appendix 44) <ol style="list-style-type: none"> a. Blue folder b. Original Contract c. Approval Routing Slip d. Contract Scope Statement Contract Advisory Team review, if applicable e. Screen Print from ESBD Posting f. Cost Avoidance spreadsheet and supporting documentation g. Correspondence h. Copy of vendor's response to RFO i. Cost Avoidance supporting documentation j. Cost Avoidance Schedule k. Screen prints from Vendor Status check: <ol style="list-style-type: none"> i. CMBL/ HUB Status & Vendor Performance, (if applicable) ii. CPA Tax Standing iii. System for Award Management (SAM) iv. SDN US Treasury Terrorism List v. CPA Debarred List l. Disclosure Statement for Purchasing Personnel m. Contract Folder Checklist 9. Route Contract folder to Performance Contract Manager 10. Proceed to 4.20 Administrative Review
Date of Last Revision	12/2013

Procedure Number/Title	4.20 Administrative Review
Purpose	To ensure that the new contract information entered into Salesforce is accurate and complete
When to Use	Whenever a new contract is signed
Responsibility	Performance Contract Manager
Procedure	<ol style="list-style-type: none"> 1. Establishment Contract Manager inputs new contract data into Salesforce and the contract is assigned to a Contract Manager for performance monitoring 2. Prior to the Vendor Orientation Meeting, the Contract Manager for performance monitoring will review the new contract information in Salesforce against the contract documents to ensure that the information is accurate and complete. Contract Manager will correct or complete information as needed 3. Document with a note in Salesforce that review has been completed <ol style="list-style-type: none"> a. Click on Notes and Attachments – New Note b. Title Note: New Contract Administrative Review c. Note in body: Contract Administrative Review completed by <i>insert your name</i> d. Note in body: Enter date the review was completed e. Save Note by pressing save button
Date of Last Revision	12/2013

Procedure Number/Title	4.30 Data Warehouse Setup
Purpose	To ensure that the Sales Reporting Information in the Business Objects Data Warehouse is updated with the most current contract-related information
When to Use	Whenever a new contract is signed or information regarding an existing contract is changed
Responsibility	Sourcing Analytics Team unless otherwise noted
Procedure	<ol style="list-style-type: none"> 1. New and/or revised Contract Information from Salesforce Database is uploaded to Business Objects Data Warehouse database on nightly basis 2. Initial information loaded into Data Warehouse includes: <ol style="list-style-type: none"> a. Vendor Name b. Reporting frequency c. Report Start Date d. Manufacturers/Publishers e. Resellers/Subcontractors f. DIR Contract Manager
Date of Last Revision	12/2013

Procedure Number/Title	4.40 Vendor Orientation
Purpose	To establish timeline for and topics to be addressed during Vendor Orientation Meeting
When to Use	Upon establishment of a new Contract
Responsibility	Contract Manager (Performance)
Procedure	<ol style="list-style-type: none"> 1. Schedule Vendor Orientation meeting with vendor <ol style="list-style-type: none"> a. Face-to-face, or b. Via phone 2. Invite other internal staff, if applicable <ol style="list-style-type: none"> a. Contract and Vendor Management Manager b. Other Contract Managers 3. Complete Vendor Orientation Meeting Agenda (Appendix 45) and email to Vendor along with the electronic file of the Sales Report Template and Instructions (Appendix 42) 4. Conduct meeting <ol style="list-style-type: none"> a. Review contract terms and conditions <ol style="list-style-type: none"> i. Point out any items that must be done within the number days of contract execution as specified in the contract <ol style="list-style-type: none"> 1. Web site compliance 2. Insurance Requirements 3. First sales report due date 4. Web site information must include MSRP and current pricing b. Review sales reporting procedures and template c. Review administrative fee detailed submittal requirements <ol style="list-style-type: none"> i. Contract Number(s) – breakout contract payments if more than one contract ii. Payment period month iii. Administrative fee being paid d. Gather Vendor Accounting contact for administrative fee collection follow up e. Review HUB reporting requirements f. Answer any questions vendor may have 5. Summarize meeting and place notes on t: drive and Contract folder 6. Proceed to 4.50 On-Going Contract Monitoring

Procedure Number/Title	4.40 Vendor Orientation
Date of Last Revision	12/2013

Procedure Number/Title	4.50 On-Going Contract Monitoring
Purpose	To ensure ongoing vendor compliance with contract and proactively address any issues promptly
When to Use	Frequency depends upon volatility of the product/service, nature of the contract, performance of vendor, etc
Responsibility	Contract Manager, unless otherwise noted
Procedure	<ol style="list-style-type: none"> 1. Vendor's Web site monitoring <ol style="list-style-type: none"> a. Review pricing posted on Vendor's Web site to ensure pricing is consistent as stated in contract b. Review posted Contact information to be sure it is current c. Ensure that Vendor has provided a link to DIR's website d. Ensure that Vendor's Web site reflects contract offerings only (may link to their home page) e. Ensure that DIR logo is being used in a manner consistent with Contractual requirements 2. HUB/Compliance Reporting <ol style="list-style-type: none"> a. If Vendor is subcontracting, ensure Vendor is sending reports to HUB coordinator in accordance with the HUB Policies and Procedures Manual Section 3.6 b. If Vendor is naming resellers, ensure HUB Plan is updated and consistent with named resellers in accordance with the HUB Policies and Procedures Manual Section 3.5 3. Not less than annually, complete a Vendor Performance Tracking, see procedure 4.160. 4. Marketing Plan (if applicable) <ol style="list-style-type: none"> a. If Vendor has low/no sales, Contract Manager may request and review Vendor's annual plan with Vendor to ensure it will support the contract and that Vendor is performing according to plan 5. Monthly Sales Report Review <ol style="list-style-type: none"> a. Sourcing analytics receives monthly sales reports and reviews for ineligible purchases, customers and order dates. After the 15th of the month, review daily "Late Vendor Sales Reports" automatically generated b. Sourcing Analytics notifies Contract Managers of late reports and ineligible sales <ol style="list-style-type: none"> i. If late, send vendor e-mail from Salesforce System ii. If still late three days later, send another e-mail notification from Salesforce

Procedure Number/Title	4.50 On-Going Contract Monitoring
	<ul style="list-style-type: none"> iii. For ineligible sales, notify the vendor by email through Salesforce that sales are ineligible c. If late three times during the first twelve months or during any rolling twelve month period thereafter, during annual review for renewal, consider adding “Late Sales Report” clause in next amendment d. If “Late Sales Report” clause in place, vendor and contract will be noted on “Late Vendor Sales Reports” <ul style="list-style-type: none"> i. If late with late clause in place notice sent via e-mail from Salesforce reminding them of clause and compliance with terms ii. Once report is received, a follow-up e-mail with total amount owed will be sent out via e-mail from Salesforce <p>6. At time of renewal or extension, update Cost Avoidance in accordance with contract Cost Avoidance Schedule, see procedure 4.200 Cost Avoidance</p> <p>7. Update Administrative Fee as directed by Executive Management</p> <ul style="list-style-type: none"> a. If decreasing Administrative fee: <ul style="list-style-type: none"> i. Negotiate savings being passed on to customer ii. If vendor cannot lower admin fee rate attempt to negotiate other value service such as additional maintenance years, training etc. iii. If vendor cannot pass on savings to the customer or provide any additional value added offering, administrative fee shall not be reduced iv. Send email to Finance to verify that Administrative Fee needs to be decreased b. If increasing Administrative fee: <ul style="list-style-type: none"> i. Attempt to negotiate administrative fee increase to be absorbed by the vendor ii. If the vendor cannot absorb the administrative fee increase, the fee increase will be passed onto the customer as long as the cost avoidance analysis is still competitive with the market iii. Send email to Finance to verify that Administrative Fee needs to be increased c. Update Administrative Fee in Salesforce as soon as possible, but at a minimum within 30 days. Ensure that Administrative Fee in Salesforce is consistent with contract documents <p>Periodically, verify that pricing reported on monthly sales reports is consistent with contracted discount</p> <p>8. Not less than annually, perform status check of Vendor (See 3.10 (1))</p>

Procedure Number/Title	4.50 On-Going Contract Monitoring
	<ul style="list-style-type: none"> a. If new products are added and contract file does not include VPAT questionnaire, request vendor to complete one and submit for review by DIR accessibility coordinator for compliance 9. Document results of monitoring in Salesforce and place in Contract file 10. In the event that vendor is not in compliance with items listed in Step 7 or any contract terms and conditions proceed to 4.210 Issues Resolution 11. Performance Contract Manager may recommend contract be terminated for convenience or not renewed (optional renewal), for example: low or no sales <ul style="list-style-type: none"> a. Prepare documentation to support recommendation for termination for convenience/non-renewal b. Contact vendor by phone to notify of termination and confirm no pending sales c. If vendor indicates there are sales in process, request customer contact information and verify sales d. Draft email and route to Contract and Vendor Management Manager for approval e. Upon approval by Contract and Vendor Management Manager, send email to vendor and route letter for approval f. Routing of Termination for Convenience Recommendation <ul style="list-style-type: none"> i. Reviewer process <ul style="list-style-type: none"> 1. Review complete Final Contract Package 2. Provide necessary comments 3. Fill in applicable details on Approval Routing Slip 4. Route to next party listed g. If not acceptable, route back to Contract Manager for clarification or correction h. If acceptable, proceed to 4.230 Contract Termination
Date of Last Revision	04/2014

Procedure Number/Title	4.55 Monthly Administrative Fee Reconciliation
Purpose	To ensure that the Cooperative Contracts Administrative Fees due from vendors are received and processed promptly
When to Use	Monthly for the previous months' activities
Responsibility	Vendor Compliance Analyst, Performance Contract Manager, Accounting
Procedure	<ol style="list-style-type: none"> 1. Each Monday following the 15th of the month, Sourcing Analytics will pull uploaded administrative fee data from the data warehouse for the monthly sales being reported. (Note: Depending on how this report is run, it may be determined to run it at different intervals such as daily, monthly or some other combination – but never later than 3 days after month-end sales closing) <ol style="list-style-type: none"> a. Validation that all ineligible sales have been expunged and the administrative fees reported is representative of the following: <ol style="list-style-type: none"> i. Ineligible products sales removed ii. Ineligible customers sales removed iii. Fees on report are accurate based on removed ineligible sales and correct administrative fee percentage iv. Sourcing Analytics Lead sign-off on report b. Approved report is turned over to Vendor Compliance Analyst for input into CAPPS 2. Vendor Compliance Analyst inputs administrative fees from approved report into the Contracts Module of CAPPS <ol style="list-style-type: none"> a. Create billings in contracts module 3. Vendor Compliance Analyst will run report of pending contract billings for quality assurance review 4. Quality Assurance (QA) process <ol style="list-style-type: none"> a. Vendor Compliance Analyst will review the Administrative Fee report generated by Sourcing Analytics and the Report of Contract Billings from CAPPS entry b. Any discrepancies are corrected and updates are made as necessary c. Vendor Compliance Analyst approves review process with Accounting and Cooperative Contracts staff d. Contract and Vendor Management Manager and Enterprise Contracts Manager sign off on process 5. Accounting matches receivables to billings in CAPPS at the contract level

Procedure Number/Title	4.55 Monthly Administrative Fee Reconciliation
	<p>6. Accounting produces an aging report and continues to collect administrative fees. Aging report is provided to Vendor Compliance Analyst for review of A/R activity</p> <p>a. If aging report reveals aging issue (60-days past due administrative fee) then Vendor Compliance Analyst should submit vendor name, contract number, and fees due to Performance Contract Manager for collection and contract management/administration action</p> <p>i. Contract management action pursuant to contract management procedures</p>
Date of Last Revision	12/2013

Procedure Number/Title	4.60 Late Fee Reconciliation and Vendor Payment Reporting Compliance
Purpose	To ensure that the cooperative contracts late fees for contract non-compliance are tracked and collected in a timely manner and that the vendor is submitting compliant payment information
When to Use	Monthly for the current months' sales report and administrative fee payment activities being administered, and for previous months' late fees
Responsibility	Vendor Compliance Analyst, Accounting, Contract Performance Manager
Procedure	<ol style="list-style-type: none"> 1. A report is available in Salesforce to identify vendors that have late fee language incorporated into their contracts. A monthly vendor sales report is generated by Sourcing Analytics which tallies the late fee amounts owed by the vendor for late submissions of vendor sales reports. Parallel to this report, Salesforce sends a reminder e-mail to each of these vendors, too. Once report is received by Sourcing Analytics, the following occurs: <ol style="list-style-type: none"> a. Sourcing Analytics report stops calculating late fee amounts. <ol style="list-style-type: none"> i. Vendor falls into the 'Received' section of the report b. Email to vendor is generated by Cooperative Contract Manager to vendor detailing the amount of late fees owed for that particular month. Copy to Vendor Compliance Analyst c. DIR Management will make final decision on whether or not late fees will be assessed and collected from vendor. Possible exception to assessment of a late fee on vendor would be if the vendor has \$0 eligible sales for the term of the contract. If late fee will not be assessed due to exception, a termination/expiration letter will be routed and processed d. Contract Performance Manager will post vendor performance tracking on CPA website 2. If late fee is assessed: <ol style="list-style-type: none"> a. Vendor Compliance Analyst inputs previous month's late fees into the Contracts Module of CAPPs at the same time the current monthly administrative fees are entered b. Late fees will be entered as a separate cost accounting code different from the administrative fees c. Vendor Compliance Analyst will run report of pending contract billings for quality assurance review 3. Quality Assurance (QA) process <ol style="list-style-type: none"> a. Vendor Compliance Analyst will review the Administrative Fee report generated by Sourcing Analytics inclusive of the

	<p>late fees generated and the Report of Contract Billings from Accounting</p> <ul style="list-style-type: none"> b. Any discrepancies are corrected and updates are made as necessary c. Vendor Compliance Analyst compiles report overview and submits to Contract and Vendor Management Manager for approval d. Contract and Vendor Management Manager approves <p>4. Accounting receives payments and payment information from vendors and verifies the following information is submitted:</p> <ul style="list-style-type: none"> a. Contract(s) number b. Breakout of administrative fee, by contract c. Reporting period administrative fee covers, by contract d. Breakout of late fee payment by contract, and period for which late fees are being paid <p>5. If the aforementioned information is not submitted, Accounting will notify Vendor Compliance Analyst</p> <ul style="list-style-type: none"> a. Noncompliance occurrence 1-3 times, Vendor Compliance Analyst e-mails vendor to inform with a copy to the Cooperative Performance Contract Manager b. Noncompliance occurrence >3 times within a 12-month period, Cooperative Contract Manager implement corrective action plan pursuant to contract management procedures and should consider termination for cause for noncompliance <p>6. Accounting matches receivables to billings in CAPPs at the contract level</p> <ul style="list-style-type: none"> a. After matching receivables to billings, Accounting will identify which vendors have not paid fees and will notify them of issue <ul style="list-style-type: none"> i. Notify via phone call or e-mail. If e-mail, the Vendor Compliance Analyst is copied. If phone call, document in CAPPs <p>7. Accounting produces an aging report and continues to collect administrative fees</p> <ul style="list-style-type: none"> a. If aging report reveals a vendor compliance issue (30-days past due administrative fee) then Accounting should submit vendor name and contract number to Vendor Compliance Analyst for Cooperative Contracts review and contract management/administration action <ul style="list-style-type: none"> i. Contract management action pursuant to contract management procedures
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Date of Last Revision	12/2013
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Procedure Number/Title	4.70 Administrative Change Management
Purpose	To establish a procedure for making administrative changes to a contract
When to Use	<p>When changes that do not require a contract amendment occur. Examples of administrative changes not requiring contract amendment are:</p> <ol style="list-style-type: none"> 1. Contract Manager information 2. Sales Representative changes 3. Vendor page on DIR Web site needs updating 4. Updated HUB Subcontracting Plan 5. Updates to Reseller information 6. Vendor Identification number changes 7. HUB status changes
Responsibility	Contract Manager
Procedure	<ol style="list-style-type: none"> 1. Written concurrence between DIR and Vendor regarding administrative change occurs, including: <ol style="list-style-type: none"> a. Description of change b. Reason for change c. Effective date of change 2. If further action required by DIR, notify staff involved <ol style="list-style-type: none"> a. If DIR Web site update, notify Web Services staff b. If HUB Subcontracting Plan changes, review HUB plan with HUB Coordinator, obtain concurrence, and post updated HUB Plan on DIR web page in accordance with the HUB Policies and Procedures Manual Section 3.5 3. Upon completion of further action, notify Vendor 4. File documentation <ol style="list-style-type: none"> a. Electronic note in Salesforce b. Paper copy in Contract File
Date of Last Revision	04/2014

Procedure Number/Title	4.90 Sales Report/Administrative Fee Escalation
Purpose	To establish a procedure to ensure Vendor's compliance with reporting and administrative fee payment terms established in contract
When to Use	When one of the following occur: 1) Vendor does not submit sales report and/or administrative fee payment according to schedule established in the contract, or 2) Vendor submits incorrect sales report and/or administrative fee payment
Responsibility	Vendor Report Coordinator unless otherwise noted
Procedure	<ol style="list-style-type: none"> 1. Vendor Report Coordinator reviews daily Late Vendor Sales Report to determine if Vendors are submitting Sales Reports in accordance with contract requirements 2. If Vendor is not complying with report submission dates, Vendor Report Coordinator notifies Contract Manager via e-mail through Salesforce <ol style="list-style-type: none"> a. Provide detailed description of the issue and desired correction b. Provide correction timeframe of three business days, including notification date c. Copy Vendor Contract Manager on e-mail 3. If no response received or Vendor is unable to correct the issue within three business days, Vendor Report Coordinator contacts Vendor Contract Manager <ol style="list-style-type: none"> a. Contract Manager requests Vendor's timeline for completion b. Document all verbal conversations and send Vendor follow-up e-mail c. Continue working with Vendor until complete resolution d. Place copy of all correspondence in Contract File including notification that issue has been resolved 4. If Vendor is unable to provide correction within the agreed-to timeframe, proceed to 4.220 Remedies for Non-Compliance
Date of Last Revision	12/2013

Procedure Number/Title	4.110 Customer Eligibility Legal Review
Purpose	To ensure that Customer eligibility is determined in accordance with Texas Government Code. Definition and specific Government Code can be found at the following link: http://www2.dir.state.tx.us/ict/overview/pages/customereligibility.aspx
When to Use	Anytime the Reporting Services staff is unable to determine eligibility of a Customer submitted by a Vendor in its monthly sales report
Responsibility	Sourcing Analytics Team, Contracts Attorney
Procedure	<ol style="list-style-type: none"> 1. Sourcing Analytics Team has an issue identifying the eligibility of a particular Customer 2. Sourcing Analytics Team researches customer via Internet search or telephone <ol style="list-style-type: none"> a. Collect documentation that shows the governing authority for the entity <ol style="list-style-type: none"> i. Perform screen print of Internet information pertaining to entity ii. If Internet information not available, collect sufficient documentation from entity 3. If necessary, Sourcing Analytics Team forwards email and documentation to Contracts Attorney for verification 4. Contracts Attorney reviews information to determine if Customer entities are eligible, ineligible or unknown (or need more information to make determination) 5. Contracts Attorney forwards response/findings to Sourcing Analytics Team <ol style="list-style-type: none"> a. Sourcing Analytics Team makes necessary changes or updates
Date of Last Revision	12/2013

Procedure Number/Title	4.120 General Sales Report Requests
Purpose	To ensure that ad hoc reports and open records requests are generated from the Data Warehouse in a timely and correct manner
When to Use	Whenever reports are requested
Responsibility	Sourcing Analytics Team
Procedure	<ol style="list-style-type: none"> 1. Requestor sends email to Sourcing Analytics Team staff with request for report 2. Sourcing Analytics Team assigns the request to staff member to generate the report <ol style="list-style-type: none"> a. If clarification needed, Sourcing Analytics Team contacts the Requestor for more details 3. Sourcing Analytics Team completes the request and sends an email to Requestor describing the report title and file name location in the Data Warehouse
Date of Last Revision	12/2013

Procedure Number/Title	4.130 Performance Measures
Purpose	To ensure that Performance Measures are reported correctly to the Legislative Budget Board
When to Use	Anytime the quarterly or annual Performance Measures are reported
Responsibility	Financial Services
Procedure	<ol style="list-style-type: none"> 1. Sourcing Analytics Team creates Performance Measures report from the Data Warehouse in accordance with LBB requirements 2. Sourcing Analytics Teams forwards Performance Measures report to the Contract and Vendor Management Manager and Division Director for review 3. Sourcing Analytics Team forwards approved report to Financial Services
Date of Last Revision	12/2013

Procedure Number/Title	4.140 Vendor Sales Compliance Audit
Purpose	To ensure that Vendor sales reporting and invoicing are monitored in a consistent manner
When to Use	As determined by anyone in the chain of command and on a case by case basis
Responsibility	Division Director, Contract and Vendor Management Manager, Sourcing Analytics Team, Contract Managers
Procedure	<ol style="list-style-type: none"> 1. Contract Managers and the Division Director meet to determine strategy for compliance check <ol style="list-style-type: none"> a. Select Vendors to be included in the compliance check b. Determine date range of transactions to be included in the compliance check 2. Contract Managers extract list of transactions for each Vendor for compliance check date range from Data Warehouse <ol style="list-style-type: none"> a. Invoice date b. Extended Cost c. Sort by Extended Cost 3. Contract Manager, with support of Sourcing Analytics Team extracts invoice data from Data Warehouse <ol style="list-style-type: none"> a. Create a New Query in Business Objects pulling data from the following fields: Customer Name, Invoice Date, Invoice Number, Extended Price, Vendor, Reporting Month 4. Contract Manager reviews invoice data <ol style="list-style-type: none"> i. Customer Name ii. Invoice Date iii. Invoice Number iv. Extended Price 5. Contract Manager requests invoices from the Vendor <ol style="list-style-type: none"> a. A due date is given to the vendor for providing the information to DIR b. If the Vendor has not provided the requested invoices within 2 business days of the due date, Contract Manager will follow up with the Vendor Contract Manager 6. Contract Manager receives invoices from Vendor 7. Contract Manager reviews and verifies invoices from Vendor <ol style="list-style-type: none"> a. Manually check off each invoice number to indicate that all criteria that was reported matches what was on the actual invoice that was received from the vendor

Procedure Number/Title	4.140 Vendor Sales Compliance Audit
	<ul style="list-style-type: none"> b. Note if any invoice numbers are missing, duplicate, and/or if there are any comments, e.g., the invoice number is not readable on the invoice c. Check to see that the extended price matches what was reported d. Check for any tax, freight, and/or incorrectly applied discounts e. Check Line items on the invoices to ensure the vendor is not selling products outside of what is covered under their contract. f. Any invoice discrepancies are recorded on the invoice spreadsheet <p>8. Report compilation about the error rate is presented to Contract and Vendor Management Manager</p> <ul style="list-style-type: none"> a. If there are a significant amount of errors when checking the invoices, the sample may need to be expanded to further validate if there is a problem, and/or if the errors were an exception <p>9. Contract Manager prepares a report of preliminary findings and recommendation(s) as appropriate for resolution with the Vendor</p> <ul style="list-style-type: none"> a. Contract Manager may determine that a more in depth review is required of Vendor invoices if the error rate is considered high. b. If it is found that the Customer was incorrectly charged tax and/or shipping, Vendor will be required to give the Customer a credit c. Contract Manager prepares a preliminary report of findings as follows: <ul style="list-style-type: none"> i. CONCLUSION – This section should include a short paragraph with the overall results of the survey ii. TIMELINE – This section contains the timeline to show the progression of the compliance check as it progressed from beginning to end. Ex: 8/28/04: Contract manager and Sourcing Analytics team met to go over review plan. One hundred seventy lines items from invoices will be checked iii. INVOICES REQUESTED - This section contains the results of the Excel spreadsheet with 4 columns: Customer Name – Invoice Date – Invoice Number – Extended Price iv. INVOICES REVIEWED - This section contains copies of the vendor invoices sorted in ascending order by invoice number <p>10. Contract Manager schedules meeting with Vendor to discuss preliminary report of findings</p> <ul style="list-style-type: none"> a. Contract Manager sets and tracks the due date for the Vendor response

Procedure Number/Title	4.140 Vendor Sales Compliance Audit
	<ul style="list-style-type: none"> i. If the Vendor does not respond to the preliminary report by the due date, the DIR Contract Manager will follow up with the Vendor's Contract Manager ii. If there is still no response within two business days, the Contract Manager will indicate in the Vendor file there was no response, and documents the final compliance report b. If necessary, the Contract Manager will work with the Vendor to develop a corrective action plan for compliance findings <p>11. Contract Manager prepares the final report with any appropriate recommendations</p> <ul style="list-style-type: none"> a. Brief summary of the method and the compliance activities, as well as specific details regarding the number of customers, invoices reviewed, error rate, and examples b. Include any trends and/or areas of concern <p>12. Contract Manager routes final report to Contract and Vendor Management Manager for approval</p> <p>13. A copy of the final report is provided to the Vendor and filed in the Contract folder</p>
Date of Last Revision	12/2013

Procedure Number/Title	4.150 Customer Satisfaction Survey
Purpose	To ensure that feedback is obtained in a consistent manner from Customers who have purchased products or services through DIR contracts
When to Use	May be conducted concurrently with 4.140 Vendor Sales Compliance Audit or as determined by the Division Director
Responsibility	Contract and Vendor Management Manager
Procedure	<ol style="list-style-type: none"> 1. Contract and Vendor Management Manager and the Division Director determine survey parameters <ol style="list-style-type: none"> a. Vendors that will be subject of survey b. Customers who have purchased products/and or services from Vendors that will be subject of survey c. Start/end date of survey 2. Sourcing Analytics Team prepares the Customer Survey and Rating Form (Appendix 52) with the assistance of Contract Managers
Date of Last Revision	12/2013

Procedure Number/Title	4.160 Vendor Performance Tracking
Purpose	To establish a procedure for reporting on a Vendor's performance for a Contract of \$25,000 or more
When to Use	For any purchase of \$25,000 or more
Responsibility	Contract Manager
Procedure	<ol style="list-style-type: none"> 1. Within sixty (60) days of the completion of the Contract or at the time of Contract renewal, Contract Manager will fill out the Vendor Performance Reporting Form with the appropriate performance codes and comments for each code. <ol style="list-style-type: none"> a. If an incident occurs during the contract life (i.e. an action which requires the reporting of a performance code and comment), DIR Contract Manager will fill out the Vendor Performance Reporting Form within ninety (90) days of occurrence with the appropriate performance codes and comments for each code. 2. DIR Contract Manager will obtain Director approval and submit the report form to the Purchasing Office. A copy of the Director's approval must accompany the reporting form. <p>DIR Purchaser will enter the vendor performance information into CAPPS and will file the documentation in the Contract file.</p>
Date of Last Revision	

Procedure Number/Title	4.170 Ineligible Customer Review
Purpose	To ensure that Vendors are refunded/credited administrative fees for reported sales to ineligible entities
When to Use	As needed (as determined by ineligible sales)
Responsibility	Sourcing Analytics Team, Financial Services and Contract Managers
Procedure	<ol style="list-style-type: none"> 1. Sourcing Analytics Team staff runs Ineligibility Report 2. Sourcing Analytics Team sorts the report by Vendor and Contract Manager responsible for the associated contract 3. Sourcing Analytics Team forwards the report to Contract Managers and Contract and Vendor Management Manager 4. Contract Manager creates Ineligible Sales Letter (Appendix 49) or email and attaches list of ineligible entities to which Vendor has sold products and/or services under the contract <ol style="list-style-type: none"> a. Contract Manager signs letter 5. Contract Manager makes copy of letter or email for Contract file 6. Sourcing Analytics reviews eligible and ineligible purchases on a monthly basis 7. Sourcing Analytics works with Financial Services to reconcile monthly purchases 8. Financial Services department processes refund/credit request and mails/e-mails letter to Vendor
Date of Last Revision	04/2014

Procedure Number/Title	4.180 Periodic Vendor Performance Meeting
Purpose	To establish a procedure for conducting a periodic meeting with Vendors to discuss performance under the contract
When to Use	Whenever a periodic performance meeting will be conducted. The frequency of these meetings will vary depending upon the volatility of the product/service, nature of the contract, performance of vendor, etc
Responsibility	Contract Manager
Procedure	<ol style="list-style-type: none"> 1. Schedule performance review meeting with vendor <ol style="list-style-type: none"> a. Face-to-face or b. Via phone 2. Invite other internal staff, if applicable <ol style="list-style-type: none"> a. Division Director b. Contract and Vendor Management Manager c. Other Contract Managers as applicable 3. Review documentation from 4.50 On-Going Contract Monitoring, and note any items that need to be addressed 4. Create an agenda <ol style="list-style-type: none"> a. E-mail to Vendor if meeting is via phone 5. Conduct meeting <ol style="list-style-type: none"> a. Review sales performance b. Review reporting performance c. Review sales reporting procedures and template d. Review HUB reporting requirements e. Answer any questions vendor may have 6. Summarize meeting and place notes on T: drive and in Contract File
Date of Last Revision	04/2014

Procedure Number/Title	4.200 Cost Avoidance
Purpose	To ensure that all review and analysis regarding cost avoidance under DIR Contracts is conducted in a consistent and thorough manner and documented properly to ensure that the costs for products are being compared correctly
When to Use	Any time cost avoidance is calculated <ul style="list-style-type: none"> 1. Research phase 2. Determination of initial cost avoidance at execution of contract 3. Updates of cost avoidance at contract renewal
Responsibility	Contract Manager, unless otherwise noted
Procedure	<ol style="list-style-type: none"> 1. Identify which products to research <ol style="list-style-type: none"> a. Top Selling Products- New Contracts <ol style="list-style-type: none"> i. Request vendor to provide a minimum of ten top selling products depending on the number of products being considered for award and provide MSRP, discount and DIR Price. If multiple brands are being considered for award request three to five per brand. Services are not typically used in cost avoidance calculations unless services are the only thing being considered for award b. Top Selling Products- Contract Renewals <ol style="list-style-type: none"> i. Run Business Objects sales report for identifying most frequently sold part numbers and product names. Provide vendor with information on its top selling products and request MSRP, discount and DIR price. Services are not typically used in cost avoidance calculations unless services are the only thing being considered for award c. Current models d. Configuration, if applicable e. Identify the number of products to request for the sample <ol style="list-style-type: none"> i. Depends on the number of products being researched <ol style="list-style-type: none"> 1. Large number would require a larger sampling 2. Small number would require a smaller sampling 2. Details of products to capture for report <ol style="list-style-type: none"> a. Product part numbers, if any b. Name of product c. Product description d. Quantity of one or lowest unit of measure, pricing levels (e.g., level based on pricing structure) <ol style="list-style-type: none"> i. Special, one time price discounts should not be used unless vendor agrees to amend contract with new pricing. ii. Verify pricing is in accordance with contract pricing

Procedure Number/Title	4.200 Cost Avoidance
	<ol style="list-style-type: none"> 3. Identify sources with the same and/or comparable products for price analysis. This should be done by product and not vendor. Add additional columns to cost avoidance spreadsheet (Appendix 57) if needed: <ol style="list-style-type: none"> a. GSA (www.gsa.gov) b. Other Cooperatives c. TIPS (http://www.tips-usa.com/) d. TCPN (http://www.tcpn.org/Pages/default.aspx) e. WSCA (http://www.aboutwsca.org/content.cfm/id/WSCA?CFID=12475110&CFTOKEN=5211e581f1f45fac-9A7F8AB9-1F29-3240-29E228E5A1B3ECFB) 4. Perform pricing research <ol style="list-style-type: none"> a. Research sources above for product pricing by searching for either product part number and/or description or vendor name b. Best pricing for purchasing a quantity of “one” (lowest unit of measure) is the rule of thumb to follow in comparing vendor pricing. On GSA Advantage website consideration should be given to minimum order dollar amounts when multiple vendors offer a product. The lowest minimum order amount should be used to best represent a quantity of one 5. Gather documentation for cost avoidance <ol style="list-style-type: none"> a. Screen print pricing and source information found from internet 6. Calculate cost avoidance <ol style="list-style-type: none"> a. Enter research pricing information into the Cost Avoidance Spreadsheet template which will automatically calculate comparative price analysis 7. Supporting documentation to be used as the basis for determining product cost avoidance <ol style="list-style-type: none"> a. Source information screen print for pricing found that is available to DIR eligible Customers b. Screen prints of search results showing no product found 8. Finalize Cost Avoidance Spreadsheet (Appendix 57) by confirming the following information is entered <ol style="list-style-type: none"> a. Pricing Source (across column headings) b. Product name c. MSRP, List Price, DIR Price d. Pricing found from other sources in appropriate column

Procedure Number/Title	4.200 Cost Avoidance
	<ul style="list-style-type: none"> e. Cost Avoidance % calculated correctly f. Proper formula is entered to calculate average discount per line item/product (left to right) g. Proper formula is entered in the grand total cell averaging all line item average discounts (top to bottom) h. DIR discount is used in line item average only when no other comparative pricing is found. Identify DIR discount is being used by marking line item with an asterisk (*) in the cell next to the total line item average i. Date the cost avoidance was performed is noted at the bottom of the spreadsheet j. Comments regarding research findings are noted at the bottom of the spreadsheet k. Discounts used in calculations are highlighted in yellow l. Cells where pricing is not found are marked with N/A or if no product is found column should be marked N/A for every line or the source column removed from the spreadsheet <p>9. Prepare Cost Avoidance Package</p> <ul style="list-style-type: none"> a. Cost avoidance spreadsheet b. Supporting documentation collected in step 8 <p>10. If the final Cost Avoidance Average Discount results in a negative discount (lower than “0”), vendor should be advised that increase discounts or removal of product(s) may be required for further consideration of an award or a renewal. Results should be discussed with the Contract and Vendor Management Manager</p> <p>11. Routing Cost Avoidance</p> <ul style="list-style-type: none"> a. Route cost avoidance in folder with new contract or contract amendment b. Include printout of Excel spreadsheet showing formulas used to calculate cost avoidance c. CTPM/CTCM reviewer must initial and date cost avoidance spreadsheet after review to indicate the calculations were performed in accordance with procedures <p>12. Entry of Cost Avoidance Results in Salesforce</p> <p>13. Cost Avoidance percentage and date performed should be entered in Salesforce database upon execution of a new contract award or renewal</p>

Procedure Number/Title	4.200 Cost Avoidance
	14. File original Cost Avoidance Package in Contract Folder when awarded/renewed
Date of Last Revision	04/2014

Procedure Number/Title	4.210 Issues Resolution
Purpose	To establish procedure for resolving contractual issues that arise during the term of the contract
When to Use	Anytime contractual issues occur
Responsibility	Contract Manager, unless otherwise noted
Procedure	<ol style="list-style-type: none"> 1. Contract Manager receives notification that issue has occurred <ol style="list-style-type: none"> a. Sources: <ol style="list-style-type: none"> i. Customer ii. Vendor iii. Contract Manager iv. Other DIR staff v. Other Vendors 2. Contract Manager researches to gather all facts pertinent to the issue <ol style="list-style-type: none"> a. Contact all related parties and obtain written documentation of their version of the event or issue b. Assessment of facts <ol style="list-style-type: none"> i. Review written documentation ii. Review contract and determine if any terms and conditions have been violated c. Determine if formal or informal resolution required <ol style="list-style-type: none"> i. Informal resolution is used for routine problems ii. Formal resolution is used for contractual terms violated or if problem requires formal mediation 3. Determine appropriate resolution <ol style="list-style-type: none"> a. If informal, determination of resolution may require involvement of resolving party 4. Contract Manager issues written notification to appropriate party regarding the resolution and targeted resolution date 5. Contract Manager follows-up with parties to determine if issue has been resolved <ol style="list-style-type: none"> a. If not resolved through informal resolution, Customer and Vendor proceed to Dispute Resolution process outlined in Contract b. If not resolved through formal resolution, proceed to 4.220 Remedies for Non-Compliance 6. Place appropriate documentation in Contract file

Procedure Number/Title	4.210 Issues Resolution
Date of Last Revision	12/2013

Procedure Number/Title	4.220 Remedies for Non-Compliance
Purpose	To establish procedure for pursuing remedies when vendor is not in compliance with Contract
When to Use	Anytime Vendor is not in compliance with Contract and first level resolution is not successful
Responsibility	Contract Manager, unless otherwise noted
Procedure	<ol style="list-style-type: none"> 1. Draft Cure Notice of Non-Compliance <ol style="list-style-type: none"> a. Insert dates into Notice accounting for the required approval routing period of approximately 5 business days b. Identify non-compliance issue or event and reference to appropriate section of Contract language c. Identify steps that Vendor must take to become compliant on the issue or event d. Establish deadline for Vendor to be in compliance regarding issue or event in accordance with contract language (cure period) e. History of previous notification regarding the non-compliant issue or event, if applicable f. Action that will be taken if Vendor fails to be in compliance by end of cure period g. Notice of Non-Compliance is signed by the Division Director 2. Create Cure Notice Package for routing <ol style="list-style-type: none"> a. Cure Notice of Non-Compliance b. Supporting documentation and justification 3. Complete Approval Routing Slip and attach to Cure Notice Package 4. Route Cure Notice Package for review and concurrence by Contract and Vendor Management Manager, Contracts Attorney and Division Director <ol style="list-style-type: none"> a. Reviewer process <ol style="list-style-type: none"> i. Review complete Cure Notice Package ii. Provide necessary comments iii. Fill in applicable details on Approval Routing Slip iv. Route to next party listed 5. If not acceptable, route back to Contract Manager for clarification or correction 6. Contract Manager receives signed letter 7. Make copy and place in Contract file

Procedure Number/Title	4.220 Remedies for Non-Compliance
	<p>8. Scan letter and save in T: drive file</p> <p>9. Send letter to Vendor</p> <p style="padding-left: 40px;">a. Preferred method is Certified Mail Return Receipt Requested in order to have proof of date of delivery</p> <p style="padding-left: 80px;">i. Fill out PS Form 3800, Certified Mail Receipt and PS Form 3811, Domestic Return Receipt</p> <p style="padding-left: 80px;">ii. Compile envelope and place in outgoing mail box in mail room</p> <p>10. Document any phone calls and save any written communication with Vendor regarding the issue</p> <p>11. Contract Manager contacts Vendor by deadline established in the Cure Notice to determine if issue has been resolved and to obtain proof of resolution</p> <p>12. If not resolved, document recommendation for next steps (termination or suspension) and escalate to Contract and Vendor Management Manager, Contracts Attorney, Division Director, and Executive Director</p> <p>13. Place appropriate documentation in T: drive folder and Contract file</p> <p>14. Document issue in Vendor Performance Tracking System with the CPA.</p> <p>15. Proceed to 4.230 Contract Termination</p>
Date of Last Revision	12/2013

Procedure Number/Title	4.230 Contract Termination
Purpose	To establish procedure for terminating a contract for cause or convenience
When to Use	Anytime a contract is terminated
Responsibility	Contract Manager, Contracts Attorney unless otherwise noted
Procedure	<ol style="list-style-type: none"> 1. Consult with Contracts Attorney regarding termination letter 2. Compose Termination Letter (Sample Termination for Convenience Letter Appendix 50) and include the following: <ol style="list-style-type: none"> a. Effective date of termination (consider lead time for signature and mailing) b. Reason for termination; cite to relevant Contract language c. Remind Vendor of the following: <ol style="list-style-type: none"> i. Submit final sales report ii. Submit final administrative fee payment iii. Any survival terms of the contract iv. Close out any work in progress if applicable v. Remove contract information from their Web site d. List the Contract Manager as the Contact person for questions e. Signature by Contract Manager 3. Assemble Termination Letter approval routing package <ol style="list-style-type: none"> a. Approval Routing Slip (Appendix 6) b. Termination Letter and any applicable attachments c. Supporting documentation to show justification for termination d. Place in blue folder 4. Internal routing of Termination Letter package for approval and signature <ol style="list-style-type: none"> a. Reviewer process <ol style="list-style-type: none"> i. Review complete Termination Letter package ii. Provide necessary comments iii. Fill in applicable details on Approval Routing Slip iv. Route to next party listed v. If not acceptable, route back to Contract Manager for clarification or correction b. Approved Termination letter package returned to Contract Manager c. Contract Manager signs Termination letter 5. Make copy of Termination Letter and place in Contract file

Procedure Number/Title	4.230 Contract Termination
	6. Scan Termination Letter and save on T: drive 7. Prepare letter for mailing to Vendor; send via email with a return receipt. Print return receipt and file in contract file 8. Proceed to 5.10 Contract Close-Out
Date of Last Revision	12/2013

Procedure Number/Title	4.240 Contract Amendment Assessment
Purpose	<p>To establish procedure for determining if an amendment will be made to a Contract</p> <p>Sources of amendments include but are not limited to:</p> <ol style="list-style-type: none"> 1. Vendor request 2. Contract Manager reviews contract and/or Vendor performance and identifies potential need for amendment 3. DIR business needs change 4. Legislative changes 5. State procurement rule changes 6. Contract is within six months from end of current term and may require extension 7. Customer requirements change
When to Use	<p>When a Contract amendment may occur for unordinary reasons such as, but not limited to:</p> <ol style="list-style-type: none"> a. Legislative, Statutory or Business needs changes at DIR b. Vendor offering new products or wanting to change current product offerings
Responsibility	Contract Manager, unless otherwise noted

Procedure Number/Title	4.240 Contract Amendment Assessment
Procedure	<ol style="list-style-type: none"> 1. Recognition of potential need for amendment initiated by: <ol style="list-style-type: none"> a. Vendor b. Customer c. DIR 2. Perform assessment of potential need for amendment <ol style="list-style-type: none"> a. If contract offerings change (pricing, products, services) <ol style="list-style-type: none"> i. Review original RFO and ESBID Posting ii. Review vendor's response to RFO iii. Review original award to Vendor iv. Review products and services in contract v. If within scope of contract/award, Perform 1.30 Research Tools and make recommendation on product changes being offered vi. Determine if best value can be obtained as a result of the proposed amendment and proceed to Step 3 b. If extension of Contract <ol style="list-style-type: none"> i. Document Contract Scope Sheet with purpose for amendment c. If changes in DIR business needs, legislation, or State procurement rules, proceed to Step 3 d. If Amendment is due to change in Vendor's corporate structure or ownership, obtain sufficient supporting documentation and document the Contract Scope Sheet with purpose of amendment 3. If Amendment is to add product or services to current contract: <ol style="list-style-type: none"> a. Review product/service request for the following: <ol style="list-style-type: none"> i. Original scope of RFO to see if product/service is within original scope ii. Original response from RFO to see if vendor included product/service in initial response <ol style="list-style-type: none"> 1. If both requirements are met, contract manager may proceed b. Additional criteria for consideration and support for recommendations <ol style="list-style-type: none"> i. Discount compared to currently contracted products/services ii. Does product/service add value in terms of meeting customer needs iii. Does adding product/service provide more regional access for customers iv. Is Vendor a HUB or do they have HUB resellers for the customers to use v. Is product/service currently available through other DIR contracts

Procedure Number/Title	4.240 Contract Amendment Assessment
	<ul style="list-style-type: none"> c. Document finding and recommendations and submit for review and approval. <ul style="list-style-type: none"> i. Example of recommendations: <ul style="list-style-type: none"> 1. To add: Product/Service being added to vendor contract is within original scope of RFO and vendor did include in initial response. Discounts are higher than other similar products, and vendor is a HUB, and the products/service are only available on one other contract – recommend adding product/service 2. Not to add: Product/Service requested is within scope of RFO and vendor did include in initial response. Discounts are one point less than the lowest discount and the requested products/service is offered through 4 other contracts – recommend not adding product/service 4. Document findings in contract amendment and supporting documentation 5. Assemble Amendment Recommendation approval routing package <ul style="list-style-type: none"> a. Any applicable supporting documentation b. Place in blue folder 6. Internal routing of Amendment Recommendation package for approval and signature <ul style="list-style-type: none"> a. Reviewer process <ul style="list-style-type: none"> i. Review complete Amendment Recommendation package ii. Provide necessary comments iii. Fill in applicable details on Approval Routing Slip iv. Route to next party listed v. If not acceptable, route back to Contract Manager for clarification or correction 7. If determination to proceed <ul style="list-style-type: none"> a. Notify Vendor b. Proceed to 4.250 Create and Execute Amendment 8. If determination not to proceed, provide written notification to Vendor and any other parties involved 9. Place all documentation in Contract file; document SalesForce and T: Drive as appropriate
Date of Last Revision	12/2013

Procedure Number/Title	4.250 Create and Execute Amendment
Purpose	To ensure that all contract amendments are created and executed in a consistent manner
When to Use	Anytime a contract is amended
Responsibility	Contract Manager, unless otherwise noted
Procedure	<ol style="list-style-type: none"> 1. Draft amendment language, include any standard terms and conditions that have been updated since the contract was executed or last amended 2. E-mail Contracts Attorney and Contract and Vendor Management Manager draft amendment for review. If comments/approvals are not received from either reviewer with 5 working days continue processing 3. Route to Vendor via email for review/redline upon written approval from Contracts Attorney and Cooperative Contracts Manager 4. Review Vendor's redline and work to resolve all issues via e-mail or face-to-face meetings as needed 5. Incorporate all agreed-to language into the draft amendment 6. Create final amendment document 7. Spell check and proof-read amendment 8. Status Check of Vendor (See 3.10 (1)) 9. If any requirements of Step 8 are not met by Vendor, notify Vendor immediately, do not proceed until corrected by Vendor 10. If amendment includes pricing change or Cost Avoidance is due, update Cost Avoidance in accordance with 4.200 Cost Avoidance 11. If Amendment is to add product or services to current contract: <ol style="list-style-type: none"> a. Review product/service request for the following: <ol style="list-style-type: none"> i. Original scope of RFO to see if product/service is within original scope ii. Original response from RFO to see if vendor included product/service in initial response; ensure product/service was awarded <ol style="list-style-type: none"> 1. If all requirements are met, contract manager may proceed. b. Additional criteria for consideration and support for recommendations <ol style="list-style-type: none"> i. Discount compared to currently contracted products/services

Procedure Number/Title	4.250 Create and Execute Amendment
	<ul style="list-style-type: none"> ii. Does product/service add value in terms of meeting customer needs iii. Does adding product/service provide more regional access for customers iv. Is product/service currently available through other DIR contracts c. Document finding and recommendations and submit for review and approval. <ul style="list-style-type: none"> i. Example of recommendations: <ul style="list-style-type: none"> 1. To add: Product/Service being added to vendor contract is within original scope of RFO and vendor did include in initial response. Discounts are higher than other similar products, and vendor is a HUB, and the products/service are only available on one other contract – recommend adding product/service 2. Not to add: Product/Service requested is within scope of RFO and vendor did include in initial response. Discounts are one point less than the lowest discount and the requested products/service is offered through 4 other contracts – recommend not adding product/service <p>12. Update applicable Amendment details in Contract Scope Information (Appendix 29A)</p> <ul style="list-style-type: none"> a. DIR Contract Manager b. Reason for Amendment c. Historical Purchase Volume d. Projected Purchase Volume e. Administrative Fee f. Additional Cost Savings – include current cost savings compared to previous cost savings, if applicable g. Cost Avoidance – provide backup research h. Effective Date of Cost Avoidance i. New Discount Effective Date j. Amendment Summary <p>13. Fill out Approval Routing Slip (Appendix 6)</p> <ul style="list-style-type: none"> a. Select appropriate document type b. Insert appropriate due date <ul style="list-style-type: none"> i. Must be reasonable due date that will allow due diligence review by all parties ii. ASAP is not an acceptable date iii. Leave Final Execution Due Date blank c. Write “N/A” on the initial lines in the first column for Deputy Executive Director and Executive Director d. Leave Final Initials lines in the third column blank

Procedure Number/Title	4.250 Create and Execute Amendment
	<p>14. Prepare Amendment Package</p> <ul style="list-style-type: none"> a. One original of Amendment unless Vendor wants a fully executed original, then two originals of Amendment b. Amendment Scope Statement c. Any supporting documents applicable d. Cost Avoidance supporting documentation (if applicable) e. Screen prints from Vendor Status check (See 3.10 (1)) f. Attach Contract Folder <p>15. Internal routing of Amendment Package for approval</p> <ul style="list-style-type: none"> a. Reviewers <ul style="list-style-type: none"> i. CTPM/CTCM ii. Contract and Vendor Management Manager iii. Division Director iv. Contracts Attorney b. Reviewer process <ul style="list-style-type: none"> i. Review complete Amendment Package ii. Provide necessary comments iii. Fill in applicable details on Approval Routing Slip iv. Route to next party listed v. If not acceptable, route back to Contract Manager for clarification or correction c. CTPM/CTCM Process <ul style="list-style-type: none"> i. The CTPM/CTCM will review the amendment folder for accuracy. The blue folder should contain: Routing slip (stapled to the front of blue folder) Review the Vendor Name, Contract Number, Contract Term, Funding Requirements, and Business Impact with supporting documentation in the folder for accuracy, punctuation, and verbiage. Ensure Amendment is checked for. Review any Administrative Notes ii. Left side of folder should contain Cost avoidance –Ensure the Vendor Name, Contract Number, and cost avoidance formulas capture are the correct fields and are calculated correctly. There should be 2 copies in the folder, one that contains the % and one the show the formulas Contract scope – All fields on the Scope Statement should be completed. Ensure Contract Number, Contract Title, and Prime Vendor Name is correct. Ensure the projected sales reflect the amount as indicated by the vendor in the folder’s documentation and the Cost Avoidance amount is the same as reflected on the Cost Avoidance Sheet Supporting Documentation –If updates were made to Appendix C (i.e. add/remove product, increase discounts, or name change)

Procedure Number/Title	4.250 Create and Execute Amendment
	<p>documentation requesting this update should be available in the folder.</p> <p>Compliance Review</p> <ul style="list-style-type: none"> Franchise Tax CMBL SAM Specifically Designated Nationals & Blocked Person Website Checklist Approval Emails from DIR Legal Counsel and Section Manager <p>16. Approved Amendment Package returned to Contract Manager</p> <p>17. Notify Vendor that amendment is ready for signature and coordinate signature by Vendor</p> <p>18. Preferred method is email to Vendor. Vendor to print, sign and return one original copy. If Vendor wishes to have a fully executed original, then print two hard copies and transmit via overnight or 2-day delivery via commercial carrier</p> <ul style="list-style-type: none"> a. Create Transmittal Letter (Appendix 30) b. Make copy of Transmittal Letter and signed amendment for Contract file c. Fill out commercial carrier delivery slip and make copy for tracking purposes d. Place in commercial carrier envelope and leave at front desk for carrier or place in carrier box on first floor of building <p>19. If Vendor is available locally, coordinate signature at DIR offices</p> <p>20. Receive one or two originals of Amendment signed by Vendor</p> <p>21. Review Amendment original(s) to ensure that authorized Vendor representative has signed and dated</p> <p>22. Forward Final Amendment Package to Contracts Attorney and Executive Director for final execution</p> <ul style="list-style-type: none"> a. Use routing slip previously used in Step 14 above b. Insert date in Final Execution Due Date <ul style="list-style-type: none"> i. Must be reasonable date to allow routing ii. ASAP is not an acceptable date <p>23. Final Execution</p>

Procedure Number/Title	4.250 Create and Execute Amendment
	<ul style="list-style-type: none"> a. Contracts Attorney and Executive Director initial and date routing slip in “Final” column b. Contracts Attorney initials original(s) of the Amendment c. Executive Director executes original(s) of the Amendment <p>24. Executed Amendment returned to Contract Manager</p> <ul style="list-style-type: none"> a. Review Amendment original(s) to ensure Executive Director and Contracts Attorney have signed and dated <p>25. If requested by Vendor, send one fully executed original Amendment to Vendor; if not requested by Vendor, copy and email fully executed Amendment to Vendor</p> <p>26. Complete Contract Details Changed as Result of Amendment in Contract Information Document</p> <p>27. Send updated Contract Information Document to the Enterprise Contract Manager</p> <p>28. Update electronic contract document signature page</p> <ul style="list-style-type: none"> a. Insert “<i>signature on file</i>” in signature blocks b. Insert date signed by both parties c. Insert Contract Attorney initials and date initialed <p>29. Submit e-mail request to Webservices username via Outlook</p> <ul style="list-style-type: none"> a. Provide electronic Amendment document b. Provide all Appendices/Exhibits as separate documents c. Update contract information in Salesforce <p>30. Create Contract Folder Checklist (Appendix 55) and check off items while proceeding</p> <p>31. File contract amendment and all supporting documents in Contract File in accordance with Contract Folder Guide (Appendix 44)</p> <p>32. Provide contract files to the Purchasing Office. The Purchasing Office reviews information in Salesforce against Contract Scope document for accuracy. The Purchasing Office marks check box and inserts date review is completed in Salesforce DIR Contract Amendment section</p>
Date of Last Revision	02/2015

5. Contract Close-Out

Contract Close-Out covers the administrative process of closing out a Contract. The Cooperative Contracts Program has created this portion of its procedures in conjunction with guidelines established in the Guide. The difference to note here is that DIR still considers this activity important enough to warrant a phase of the overall contract management function, whereas the Guide incorporates this activity in the contract administration section.

The procedures necessary for Section 5, Contract Close-Out, are contained in the following pages.

Procedure Number/Title	5.10 Contract Close-Out
Purpose	To establish a procedure for ensuring that all parties to the Contract have fulfilled their Contractual obligations and no contractual responsibilities remain after the contract has expired or terminated
When to Use	Preferably around 30 days prior to expiration or termination of a Contract
Responsibility	Contract Manager, unless otherwise noted
Procedure	<ol style="list-style-type: none"> 1. If not termination for cause or convenience, draft letter notifying Vendor that contract will expire in 30 days <ol style="list-style-type: none"> a. Request final sales report b. Request final administrative fee payment to be sent to Accounting c. Note survival clauses d. Reference date of execution of original Contract e. Reference effective termination date f. Request removal of contract offerings from Vendor's Web site upon effective expiration date g. Remind Vendor of records retention requirements 2. Contract Manager signs letter and sends to Vendor 3. Upon expiration or termination of contract <ol style="list-style-type: none"> a. Update Salesforce database <ol style="list-style-type: none"> i. Contract Expiration/Termination Date ii. Reason for Expiration/Termination b. Issue internal notice to DIR Contract Notification email group that Contract has expired or been terminated: <ol style="list-style-type: none"> i. Customer Service ii. Financial Services iii. Contract Managers iv. Division Director, Contracts Attorney, Contract and Vendor Management Manager and Executive Director v. Reporting Services vi. Purchasing Services c. If any outstanding responsibilities, coordinate with Vendor for resolution 4. Sourcing Analytics receives final sales report from Vendor 5. Vendor Compliance Manager receives final administrative fee payment from Vendor 6. Ineligible entity review

Procedure Number/Title	5.10 Contract Close-Out
	<ul style="list-style-type: none"> a. If any, request processing of refund according to Agency procedures 7. Notify Purchasing Staff of internal Purchase Order close-out if applicable 8. Performance Reports <ul style="list-style-type: none"> a. DIR Vendor Performance Report (Atlas) b. Report to TPASS Vendor Performance Tracking System 9. Archive File <ul style="list-style-type: none"> a. Move T: drive Contract folder to Terminated and Expired Contracts folder 10. Place physical Contract file in Procurement file
Date of Last Revision	12/2013

Glossary

Contract File – the physical file containing the original executed contract, any amendments, correspondence, and other contract-related artifacts

Cooperative Contracts - the information resource technology product and related service contracts established for use by state agencies and local governments (Customers), that feature volume discounts not generally available to individuals or single institutions

Customer - any Texas state agency, unit of local government, institution of higher education as defined in Section 2054.003, Texas Government Code, and those state agencies purchasing from a DIR contract through an Interagency Agreement as authorized by Chapter 771, Texas Government Code

Division – Technology Sourcing Office (TSO) of the Department of Information Resources

Go DIRect Contract Structure– the process whereby Customers issue a purchase order directly to the Vendor, Vendor invoices and receives payment from the Customer

Requestor – person or entity making a request of DIR

Suspension/Suspended Contract – A term used to describe a vendor contract that is temporarily inactive (up to 180 days) for a variety of reasons. DIR has the right to suspend in whole or in part any contract for not complying with terms and conditions or metrics established.

- Whole Suspension – Vendor is not allowed to participate in any new sales of any sort as a prime or as a subcontractor or reseller during the suspension term. Usually assigned to suspensions that stem from contract compliance issues.
- Part Suspension – Vendor may not participate in any new sales from contract, but may participate as subcontractor or reseller. Usually assigned to suspensions that stem from not meeting predefined performance metrics

T:\drive – the DIR network disk drive where all Contracting and Procurement Services Division electronic files are stored

Telecommunications Contracts - the family of contracts which support the operation of the Telecommunications Division, comprised of two networks, the Capitol Complex Telephone System (CCTS) and TEX-AN, the Texas Agency Network

Written Communication – email, memo, letter